

# Salary Sacrifice v's Voluntary Benefit

Offering employees a car scheme can be expensive, time consuming and run the risk of you being left with cars in your car park if employees leave. Affinity's car scheme can take away this pain whilst offering significant discounts to your employees, allowing them to either reduce their monthly outgoings or to upgrade to a higher class of car. In addition, we also offer personal leasing options which make our significant discounts available to family and friends. This can be positioned as a significant benefit provided by you to your employees.

Salary Sacrifice schemes are major topic of discussion at the moment, but can be confusing. To sum up:

The employer is underwritten by the vehicle finance company and then deducts payments for the car from the employee's salary: often through a third party platform. The employee therefore saves income tax on the monthly leasing amount, however they are liable for Benefit In Kind tax which is only minimised using low CO2 emission cars, which often do not suit personal or family needs.

Usually employees can only join the scheme during two flex windows each year which can be less than ideal when faced with a written off car or a large repair bill.

Liability for payments stays with the employer and the car has to be returned when the employee leaves the company.

## Which scheme is right for my organisation?

### Salary Sacrifice versus Personal Leasing at a glance...

#### Salary sacrifice

Third party platform needed to deduct payments

Only available during flex windows

Company liable for payments

Administration falls to company

Benefit In Kind payable by driver

Employee only eligible

#### Personal Leasing

Driver deals direct with Affinity Leasing

Available all year

Individual liable for payments

Individual liable for administration

No Benefit In Kind payable

Family and friends eligible also



#### No fee to join

It's free for your business or organisation to become a member



#### Benefits for family & friends

Loved ones can enjoy our leasing discounts too



#### Access to top deals

Our buying power and expertise can get you the best deals



#### One provider for all your needs

with minimal administration for the organisation



#### No volume commitment

You're not committed to lease set numbers of vehicles



#### Brand new discounted cars

We offer new and affordable vehicles to suit everyone

# Which scheme is right for us? Cont.

Personal leasing can be used in addition to, or as a replacement for, a salary sacrifice scheme.

## It offers:

- No cost to your organisation
- Minimal administration to be done by your department
- No liability for your company in relation to ongoing payments or early settlements on cars if employees leave the company

## Preferential discounts

Our schemes allow your staff and their families to obtain discounts on brand new cars and vans of up to 45%, which would not be available to them if they went into a normal dealership – our volume discounts are passed on in full to your staff as an incentive to use us. These discounts are available regardless of which scheme you chose: company cars, salary sacrifice or voluntary benefits.

## Minimal administration

We offer a voluntary benefit scheme that is quick and easy to set up and once the scheme is launched, there is minimal administration to be done by your department, with all parking tickets, speeding fines etc. going direct to the driver. Company cars and salary sacrifice do require company administration however.

## Outsourcing for free

Additionally, if you wish to outsource company cars, cash allowance drivers and those who drive for business, we can handle that for you – at no cost to the organisation. Think of the time that this would free up within your department.

## No Benefit In Kind Tax

Benefit In Kind tax is not payable on personal leases, which can mean big savings to your staff. Additionally your organisation is not required to make volume commitments to any manufacturers or finance companies, which is different to traditional schemes. A variety of finance providers are available to offer credit to individuals and companies with most types of credit histories.



[www.affinityvehicleleasing.com/benefits](http://www.affinityvehicleleasing.com/benefits)

## Next steps

To discuss any of Affinity Leasing's car schemes with no obligation, contact Michelle Howles on **01299 266610** ext **207**, or email [Michelle.Howles@affinityvehicleleasing.com](mailto:Michelle.Howles@affinityvehicleleasing.com)



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