



Frequently Ask Questions

This document has been prepared to answer questions that you are likely to have on the new SalarySacrifice4Cars scheme (“the car scheme”). It is set out in 3 sections – The car scheme and how it works; Eligibility and impact on pay and benefits; and Once the car is delivered.

[The car scheme and how it works](#)

1. Why should I consider salary conversion as a means of acquiring a new car?

The new SalarySacrifice4Cars scheme offers employees the opportunity to be provided with a new car benefiting from corporate discounts and savings on Income Tax and National Insurance Contributions (NIC). The car scheme will only offer cars with low CO2 emissions (120g/km or less).

2. Could I get a similar deal by visiting my local franchised motor dealer?

No, the Tax and NIC savings are only available via a salary conversion arrangement and because this car scheme is administered via a corporate agreement with Aston University we are also able to pass on fleet discounts and volume related bonuses not available on any retail type car purchase schemes. The new car scheme will offer a complete package covering finance, servicing and maintenance, insurance, breakdown assistance etc – in fact everything apart from the fuel!

3. How does the car scheme work?

By entering into the car scheme you will be voluntarily accepting a reduction in your gross salary and receiving a non cash benefit from Aston University, in this case a car. The Gross monthly reduction will be the same for the duration of the agreement which can be between 2 and 3 years.

4. On what basis is the car provided?

Aston University has entered into an agreement with Tusker who are a leasing and fleet management company to supply the cars ordered under the new car scheme. Once you have chosen your car, Aston University will enter into a contract hire agreement for that car and will then provide it to you under the salary conversion arrangement. The car is a “company car” for tax purposes and will be treated as a benefit in kind. In order to limit your tax liability, only cars with the lowest income tax charge have been included in the car scheme.

At the end of the agreement employees will have the choice to hand the car back or to request a price to purchase the car at the market value based on the vehicle’s age and mileage.

5. Will I be able to see an indicative potential cost of the car at the end of the agreement?

Yes, the website will provide the estimated cost of the car when the quotation is requested.

6. What is HMRC's view on salary conversion for Cars?

HMRC view this arrangement as an employment law rather than tax law matter, as you are free to agree a change in your remuneration with Aston University (as with Flexible Benefits). By entering into

this arrangement, you are agreeing to a reduction in your salary for the chosen term. In addition you must also agree to convert your salary before you take delivery of your car.

7. When will the salary conversion take effect?

You will see the reduction in your salary from the first day of the month in which the car is delivered. The car will be delivered in the first 10 days of a month only.

8. What other tax implications are there on me?

If you take a car under the car scheme, you will be treated as having a company car and be liable to tax on the benefit in kind charge. In order to limit your tax liability, only cars with the lowest benefit in kind charges have been included in the car scheme.

9. How is the benefit in kind calculated?

The benefit in kind calculation is based on the P11d value of the car (essentially the list price of the car including delivery etc) and its CO2 emissions. You will pay tax at your usual rate (i.e. 20%, 40% or 50% (from 6 April 2010)) on the appropriate percentage of the P11d value of the car. For the Aston University car scheme, the appropriate percentage for all petrol cars is 10% and 13% for diesel cars.

Example: An employee paying tax at 20% chooses a petrol car with a P11d value of £10,000. The benefit in kind charge is 10% of £10,000 i.e. £1,000 and the actual tax charge is 20% of this figure - £200 per annum or £16.66 per month.

10. How will the tax be collected from me?

Aston University has applied to HMRC to tax the car benefit via the payroll. This means that you will pay the benefit in kind tax on a monthly basis starting from the first month in which you receive the car. As the car will be taxed in this way, the value of the car benefit will be included in the pay figure shown on your end of year form P60 (the benefit will not be shown on your form P11d if you receive one).

11. Will the amount I pay increase if the company car tax percentage is increased?

The amount you convert will remain the same but if the company car tax increases, additional tax will become payable and will be collected via the payroll. 12. What will affect the amount I sacrifice?

The amount converted will reflect the actual choice of car i.e. not only its CO2 emissions, but the value of the car, the available discount from the manufacturer, residual value, the length of the term chosen (you can choose a term between 2 and 3 years), selected mileage and insurance terms.

13. What is included in the car scheme?

- Maintenance of the vehicle including all servicing, batteries, exhausts under normal wear and tear conditions. Exclusions include glass (other than light bulbs but please refer to the Key Facts document for your motor insurance) and driver damage.
- Tyres
- Fully comprehensive motor insurance including all business travel for the Policy holder and their domestic partner. Any additional drivers are insured for social, domestic and pleasure purposes only.
- Annual Road Fund Tax

- Roadside Assistance (Homestart & Recovery UK and European Cover) including a 48 hour relief vehicle should your vehicle be irreparable at the roadside or un-roadworthy following an accident.
- In the event of a total insurance loss to a vehicle (accident, fire or theft) you are protected to a maximum value of £5,000 for any difference between the motor insurer's settlement figure and the lease agreement termination charge.
- Early Termination contingency (protects you against certain charges for cancelling the agreement early)

Redundancy contingency (protects you against certain charges for ceasing the agreement early due to being made redundant) Please refer to the Key Facts documents for details of the level of cover provided under the insurance policy. This can be found on the car scheme website.

A relief vehicle is not automatically included in the scheme, however motor insurance includes a courtesy car if the insured vehicle is being repaired by an approved repairer of the insurer following an accident, fire or theft (UK only).

Tusker will endeavour to provide a courtesy vehicle should the vehicle be recalled by the Manufacturer or be unavailable due to a Manufacturer fault.

14. Can I have more than 1 car under the car scheme?

No, you can only have one car and cannot convert more than 20% of your Notional Salary under the car scheme, please see question "Is there a maximum level of my salary I can sacrifice?" For more information

15. Is there a maximum term for the car scheme?

You can choose a term of up to 36 months on the website. At the end of the agreement, you can request a price to purchase the car at the market value based on the vehicle's age and mileage.

16. Who is the vehicle leasing contract between?

The salary conversion agreement is between Aston University and you whilst the vehicle contract is between Aston University and Tusker.

17. What paperwork needs to be completed?

The website generates the salary conversion agreement when you are ready to order your selected vehicle.

18. When will my car be ready for delivery?

This varies greatly depending on the car chosen. Typically the waiting time is between 8 – 14 weeks. An estimated delivery date will be available once the order is placed.

19. Does the scrappage scheme apply?

No, the scrappage scheme cannot be applied to cars under the car scheme.

20. Will quotations vary over time?

Yes because changes can occur in the amount of discount we are offered by manufacturers and quotes will take account of the changing cost of particular cars together with financing costs.

21. How long is the quote valid for?

All quotes will be valid for a period of 14 days but in order to accommodate the sign off process for you and Aston University, quotes will be refreshed at the point of order if this time limit has been exceeded. You will then have the opportunity to amend your car selection if the price has increased.

22. Once I have chosen a vehicle, is the quotation price guaranteed?

Once the order has been placed by Aston University for your chosen vehicle the price will be honoured except in exceptional circumstances.

23. I placed an order in the last few days but have now changed my mind. What can I do?

You may cancel the order but there may be a dealer cancellation charge payable. This would be a maximum of £500 unless otherwise advised.

24. Do I have to be in full time employment to be eligible for the car scheme?

No, however you will be unable to participate in the car scheme if this will result in your salary falling below the National Minimum Wage or the lower earnings limit for NIC purposes (£5,044 for 2010/11) or if the salary conversion is more than 20% of your National Salary.

[Eligibility and impact on pay and benefits](#)

25. Who will be eligible to join the car scheme?

The car scheme is open to employees who have completed 6 months continuous service with Aston University and have a full valid UK/EC/EEA driving licence (If you are in receipt of a car allowance, you are exempt from this service requirement).

26. Can I join the car scheme if I am close to retirement?

Yes however you will need to choose a term which ensures that the agreement end date is prior to your retirement.

27. I am on a fixed term contract – can I participate in the car scheme?

If you are on a fixed term contract you can participate provided that the agreement ends prior to the end date of your fixed term employment contract.

28. Is there a maximum level of my salary I can sacrifice?

Aston University will allow you to convert up to 20% of your Notional Salary. However, you will be unable to participate in the car scheme if this will result in your salary falling below either the National Minimum Wage or the lower earnings threshold for NIC purposes. This latter restriction is to prevent the adverse effect this would have on your entitlement to statutory benefits such as sick pay, maternity pay and state pension. You should also take into account any other salary conversion benefits you may receive.

29. Does participation in the car scheme affect company pension contributions?

No, pension contributions will be based on your notional salary, which is your salary before any salary conversion. Your pension will therefore be unaffected.

30. Will participation affect any other payments?

All other payments such as overtime, shift allowances, annual pay awards etc will be based on your notional salary and will not therefore be affected.

31. Does the salary conversion have any impact on state benefits?

Most state benefits will not be affected by participation in salary conversion, unless participation in the car scheme means that your salary after the sacrifice is brought below the NIC Lower Earnings Limit. You will not be able to participate in the car scheme if you are likely to fall into this category.

32. Is this a change to my terms and conditions of employment?

Yes. In order for the car scheme to be effective, Aston University will need to make amendments to your Terms and Conditions in accordance with the provisions of Section 4 of the Employment Rights Act 1996. You will be agreeing to these changes when you sign the Salary conversion agreement when you order your selected vehicle.

33. I already participate in a salary conversion scheme. Can I participate in the car scheme as well?

Yes. You will be able to participate in the car scheme providing your post sacrifice pay is not reduced below the National Minimum Wage or the Lower Earnings Limit and your salary conversion is not more than 20% of your Notional Salary. We will advise you if you are likely to be affected.

34. Will participating in the car salary conversion arrangement affect entitlement to Statutory Sick Pay (SSP) or Statutory Maternity Pay (SMP)?

Entering into the salary conversion car scheme will not affect your entitlement to SSP or SMP. However, SSP and SMP will be based on your pay after salary conversion in accordance with statutory requirements.

35. I am over 65 years of age – can I join the car scheme?

Yes but as you don't pay NIC after the age of 65, you won't make any NIC savings on the salary conversion. You will also need to choose a term which ensures that the agreement end date is prior to the end of your contract.

[Once the car is delivered](#)

36. What happens if I do more than the mileage I selected when choosing my vehicle?

When you choose your vehicle you have the opportunity to choose the contract length and annual mileage. If during the term you wish to change the mileage to more accurately reflect the actual mileage we can accommodate this. If you return your vehicle with more than the selected mileage you will be liable for an excess mileage charge to cover the expense of the additional depreciation and servicing costs that will have been incurred because of the additional mileage. The excess mileage rate will be included on the quotations.

37. What if the mileage is below the selected mileage?

There will be no change to the salary conversion amount, however at the end of the agreement, any price provided to you to purchase the car will be based on the selected mileage at the start of the agreement rather than the actual mileage.

38. If I request a price to buy the car at the end of the agreement, how will the value be calculated?

The value will be set in line with the CAP book price which is the industry reference guide for pricing of used vehicles based on the vehicle's age and mileage.

39. Will I have to pay any additional charges at the end of the agreement?

In addition to any excess mileage charges you will be responsible for meeting any unreasonable wear and tear charges that Tusker impose where the car has been returned in an unreasonable condition. The condition of the car will be assessed against the BVRLA (British Vehicle Rental & Leasing Association) guide to Fair Wear and Tear. The guide aims to provide an industry-wide accepted standard that defines fair wear and tear when cars are returned at the end of a contract. Any charge payable will be payable from net pay.

40. What happens if I decide I don't want the vehicle any longer?

You are committing for the term you select. If you do decide you no longer want the vehicle you can obtain an early termination quotation at any time during the term of the agreement but you will be responsible for any charges arising.

41. What happens if I resign?

If you resign after the Early Termination contingency exclusion period, you can choose to simply hand back the vehicle and subject to the contingency maximum payout of £5,000 covering the settlement costs your commitment will have finished. However should this maximum contingency benefit be less than the actual early termination costs you will be responsible for the balance, which will be deducted from your net salary by Aston University.

If you resign during the contingency exclusion period following delivery, you will be liable for an early termination charge to exit the scheme. The Early Termination charge (including VAT) is calculated in the following way:

- the sum of monthly rentals left to pay on the agreement;
- less discount applied for early termination;
- added to the original estimated value of the vehicle at the end of the agreement;
- less the value of the vehicle at the actual time of termination.

42. If I resign can I buy the car and if so would I still pay an early termination charge?

It may be possible to agree a value to purchase the car which negates the need for any early termination fee.

43. What happens if I retire on the grounds of ill health during the period of the agreement?

Ill health retirement will be classified as a resignation and the early termination contingency will become effective. However dismissal resulting from incapability will not be covered by the early termination contingency and the full early termination value will need to be met by you.

44. What happens if I lose my driving licence on medical grounds?

You can simply return the vehicle with no penalties. The contingency provided under the car scheme has a maximum payout of £5,000.

45. What happens if I am disqualified from driving whilst in the car scheme?

You may continue to participate in the car scheme but you must not drive the car yourself. Alternatively you can opt to terminate the agreement but you would then be liable for any early termination shortfall. The Early Termination contingency does not cover this situation.

46. What happens if I become pregnant during my employment?

This depends on your entitlement to company maternity pay; please refer to the maternity policy.

47. Who will be covered by the annual licence check?

An annual licence check of the nominated driver will be made by Tusker and the cost for this is incorporated in the monthly rental.

48. Who is responsible for checking the licences of any named drivers on the policy?

You will be responsible for making sure that any named drivers on the policy have a valid licence.

49. What happens if I die during the agreement term?

The contingency provided covers such circumstances and the agreement would cease and the vehicle can be returned without penalty (subject to the maximum level of protection provided of £5,000). Exclusions to this include suicide, death due to alcohol, solvent or drug abuse or self inflicted injury, prior knowledge of a terminal illness. Additional exclusions may apply from your vehicle insurance provider – please refer to the Key Facts document.

50. Who is responsible for arranging servicing of the vehicle?

You are responsible for ensuring that the Manufacturer's recommended servicing schedule is adhered to and it is imperative that you do so to ensure that the warranty is not invalidated and avoid incurring any additional charges. For insurance services to remain valid the first and subsequent service of the vehicle must not be exceeded by more than 1,000 miles or 14 days.

The cost of maintenance is included in the car scheme. Simply call the Tusker Driverline on 0871 995 5350 or log onto their website www.ss4c.com and they will arrange to have the vehicle collected from your place of work or your home, serviced and returned to you.

51. What happens if my car needs new tyres?

The cost of tyres is included. You simply call the Driverline and they will either direct you to the nearest nominated Tyre Centre or arrange for a nominated mobile unit to visit you to replace your tyres.

52. What do I do if I breakdown?

All vehicles include UK and European roadside assistance so whether you breakdown at home, at the office or anywhere in Europe you are covered.

53. What happens if my vehicle is off the road due to mechanical failure or accident damage?

Roadside assistance is included to ensure you are never stranded and a 48 hour relief vehicle is provided under the RAC cover should your vehicle be irreparable at the roadside or un-roadworthy following an accident. . In the event of your car being off the road due to accident motor insurance includes a courtesy car if the insured vehicle is being repaired by an approved repairer of the insurer following an accident, fire or theft (UK only). 'At Fault' accidents must be reported within 48 hours to ensure full cover applies.

Tusker is also able to assist with a hire vehicle at preferential rates and can be contacted by the Driverline.

Should your vehicle be off the road due to mechanical failure Tusker will also endeavour to provide a replacement vehicle although this cannot be guaranteed.

54. Who is responsible for the payment of any fines incurred on the vehicle or any vehicle provided whilst the primary vehicle is off the road?

Any parking, congestion charges or other fines incurred by you whilst using the vehicle will be your responsibility. Any fines paid by Tusker will, together with any administration charges levied by them, be recovered from your net salary by Aston University.

55. If my vehicle is involved in an accident and the insurance company declares the vehicle as beyond economic repair, does the contingency cover any shortfall between the insurance settlement figure and the leasing company's valuation of the vehicle?

The car scheme includes insurance shortfall contingency (limited to £5,000) which ensures there should be no shortfall for you to pay in the event of your vehicle being declared a total loss.

56. What level of motor insurance is provided?

The insurance provides cover for full business travel for the main driver and their domestic partner plus social, domestic and pleasure for any named, additional drivers on the policy.

57. If the driver lends the car either to someone who is not a permitted user (a permitted user being someone who is named on the policy and who has a valid driving licence), who is responsible if they have an accident?

Drivers are prohibited from lending the car to someone who is not a permitted user (as described above). If they do, you will be responsible for any resulting accident, injury or uninsured losses.

58. Is there an excess on the insurance?

The Key Facts documents from the insurance provider, set out the detail of cover under each policy together with any excess. You need to ensure that you carefully read these before placing an order. They are available on the summary screen on the website when an insurance quote is requested.

59. Do I have to provide proof of no claims bonus for the motor insurance policy?

No the motor insurance is a fleet policy. If you already have maximum bonus then you can keep it to use on another car. When you come to the end of your selected term we will be happy to confirm your no claims bonus for the period you have been with us. You are free to add that to your existing bonus or keep it separate to use on another car.

60. What if I have more than two fault claims on the policy in any 12 month period or more than three fault claims in any 24 month period whilst on the scheme?

You are allowed to have two fault claims within the first 12 month period and three fault claims within the first 24 month period without it affecting your insurance premium for year three. If you have more fault claims than this, your insurance premium for the preceding years will increase.*

In the event of more than two fault claims in the first 12 months or three fault claims in the first 24 months you will be billed directly for any subsequent increase in premium.

* Please note that in all instances your premium will not be affected until the next renewal date. The policy is issued on a 12 month insurance basis (for more info please call 01924 241920 or email ss4c@windsor.co.uk)

61. What is covered on the insurance policy?

The Key Facts document from the insurance provider which is located on the summary page of the website provides full details of the cover of the policy and you should read this carefully before placing an order.

The motor insurance includes the provision of a courtesy car if the insured vehicle is being repaired by the insurers approved repairer following an accident, fire or theft. (UK only).

62. Can I get an insurance quotation on the website if the main driver is not an Aston University employee?

Yes, the website can deal with situations where you are not the main driver. You will be asked to confirm whether you are the main driver, and if you aren't, a separate section for the main driver details will be displayed.

63. How many named drivers can be included on the insurance policy?

The employee must be the named driver and there is no age restriction, however the website can only process the insurance quote for the main driver (age 21+) and their domestic partner (age 21+) plus up to two named drivers as long as the named drivers are over age 21. If the named drivers are below age 21 or there are more than two named drivers required on the policy then the quote has to be processed manually and you will need to call the Tusker customer services team.

64. Can additional drivers be added to the insurance policy during the agreement?

Additional drivers can be added but any increase in premium will be payable directly by you.

65. Will the number of drivers on the policy affect the overall cost?

Yes, the insurance premium will be affected by the number of drivers on the policy.

66. Can I take my car abroad?

Your car insurance includes full cover throughout the European Community including Croatia, Iceland, Liechtenstein, Norway & Switzerland (limited to 3 months for any one trip). If you wish to take your car to Europe many insurance providers will require you to inform them of the dates you are travelling. Failure to do so can reduce your cover to Third Party Fire and Theft. You will also need to contact us to

arrange a VE103 as authorisation to take the vehicle abroad at a cost of £10.00 currently. This is valid for 12 months.

67. I want to order a car on the scheme but I have an existing vehicle I want to sell, when should I arrange to sell it?

Although we will contact you with approximate lead times for an ordered vehicle, these dates can sometimes be changed (outside of our control) by the manufacturer so if you have no other means of transport you should not sell your existing vehicle until you have taken delivery of your new salary conversion car.

68. Who meets the cost of the MOT where this is required?

Where an MOT is required, the cost is covered as part of the car scheme.

69. Can I use the car for towing?

It is possible for you to use the car for towing but you will need to get Tusker's prior permission to fit a tow bar. Permission will not be unreasonably withheld.

70. Can I fit personalised number plates?

No, personalised number plates are not allowed on the car scheme.

71. What happens if I am disqualified from driving whilst in the car scheme?

You may continue to participate in the car scheme but you must not drive the car yourself. Alternatively you can opt to terminate the agreement but you would then be liable for any early termination shortfall. The Early Termination contingency does not cover this situation.

72. I have been given a courtesy car whilst my car is being serviced/repaired. What do I need to do about insurance?

The motor insurance under the car scheme does not cover a courtesy car. You will need to ask the garage to insure the car or they may offer a cost or damage waiver.

73. I have received points on my licence for speeding. Do I need to tell anyone?

Yes, you must advise the Tusker Driverline on 0871 9955350 and your insurer.

74. Who do I contact if I have any further queries about the car scheme?

You should contact Tusker on either 0871 995 5300 or customerservices@ss4c.com