

TCH Salary Sacrifice

A Simpler Employee Car Scheme



UK PRESTIGE
— CAR BROKERS —

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Welcome to a new employee benefit which enables employees to lease a brand-new car through our salary sacrifice scheme.



- TCH Salary Sacrifice is a product of TCH Leasing, which is one of the country's top 30 contract hire and fleet management companies and one of the few remaining privately owned companies of its kind in the UK. Based in Sheffield, TCH Leasing operate from a purpose-built premises adjacent to M1 motorway junction 35a.
- Our parent company, T.C.Harrison Group Limited is one of the UK's largest privately owned motor groups, with a substantial network of car, commercial vehicle and JCB Earth moving equipment dealerships and, of course, TCH Leasing.



Benefits for Employers



- Potential savings on employer's NI contributions due to lower salary
- Can aid retention/recruitment of staff etc.
- Helps improve the organisation's Carbon footprint
- Great options for drivers given a CASH ALLOWANCE
- Web based scheme reduces administration
- Dedicated Account Manager
- Ongoing advice and support
- Risk Cover rules apply, which limit exposure in event of SMP/SSP/Medical grounds/Redundancy & Resignation
- Scheme designed to be cost neutral
- No fees to pay for joining or using the scheme



What is Included?

- A brand-new car every 2, 3 or 4 years
- Income tax and NI savings for employees
- Big potential NI contribution savings for employers
- Access to TCH Leasing's buying terms for car and servicing
- No deposit required - fixed budget monthly rentals
- No credit checks to undergo for the employee
- Includes road tax
- Includes all Servicing & Repairs
- Unlimited Tyre Replacement/Repair (even due to accidental damage)
- Comprehensive Breakdown Cover
- Fully managed by TCH Assist by phone or via the TCH Salsa App - One call and you are looked after!
- Fully comprehensive Business Insurance, fixed for up to 4 years (regardless of any claims)
- Additional 2 named drivers allowed (min age 18 years)
- VAT savings for VAT registered organisations
- Unlike some car scheme providers, TCH Leasing finances and manages the vehicles 'in house'. Some providers will use a multitude of funders which mean administration can be a burden to employers with invoices from a number of different providers.



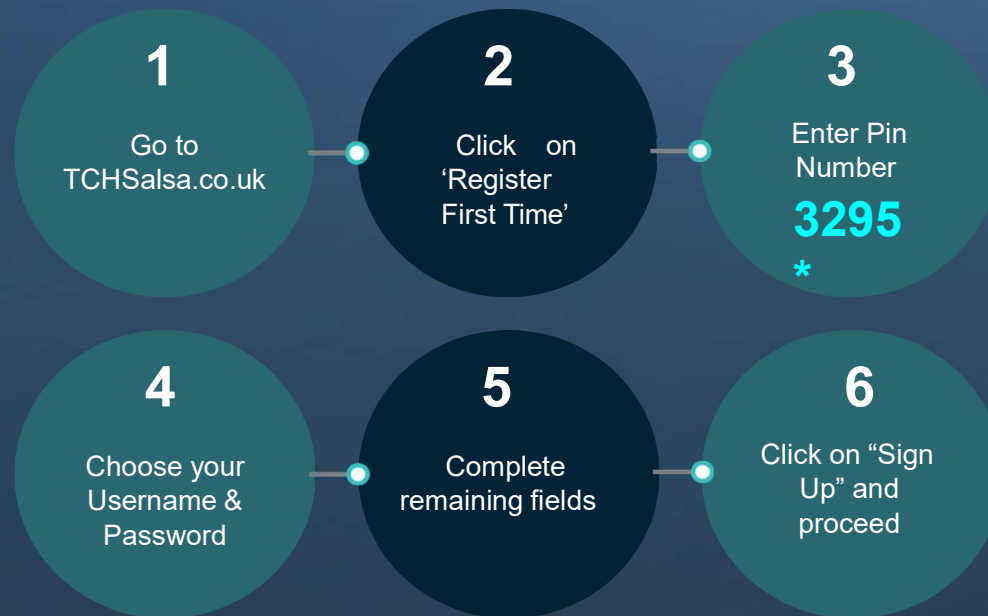
What is Included?

- The scheme is a true Salary Sacrifice scheme which enables employees to lease a brand car, fully serviced, maintained and insured for either 2, 3 or 4 years - all they have to do is plug it in or add fuel!
- This scheme offers substantial savings over traditional personal finance methods due to Income Tax and NI savings and Fleet discounts on vehicles and maintenance costs, negotiated by TCH Leasing, all included in the package.
- The car is classed by HMRC as a 'benefit in kind' on which company car tax must be paid however choosing an electric car will minimise this.
- Electric cars are now compatible with many peoples driving patterns and huge savings are available on these because there will be JUST 4% COMPANY CAR TAX payable on Electric Vehicles until April 2027.
- That means there is no cheaper way of acquiring a brand new electric car than via this scheme.
- **CASH ALLOWANCE DRIVERS** - using this scheme means ALL of the allowance can go towards paying for the vehicle. If a cash allowance is spent on a private finance arrangement, it will be subject to income tax and NI deductions which means there is much less to spend!



How Does it Work?

Employees save money by exchanging part of their salary before it is taxed; thereby reducing the amount of tax and national insurance they pay on the remainder. As the vehicle is classed as a 'Company Car' ('Benefit in kind') 'company car tax' must be paid at the prevailing rate for the vehicle (via an amended tax code) however this is much less than the savings to be made in income tax and NI - especially for zero emission electric cars. At the end of the contract the keys can either be handed back and collected or a new car can be ordered or alternatively, the car can be purchased as well



* This is a demo site only. New customers will get their own PIN to access the quoting and ordering website



The registration information will be used to calculate car quotes. Once registered, there are 3 options in the left-hand menu:

Special Offers – click on any vehicle of interest for a tailored quote based on your registered profile. There are 6 Special Offers tabs with various models in categories such as City Car/Small Family/Large Family/ Small Crossover-SUV/Large Crossover SUV/ Electric & Hybrid

New Quote – simply use the drop-down boxes to generate a quote on a specific make and model

Car Shopper – if you don't know what cars fall within budget, use the drop-down filter boxes and choose the budget range in order to generate a list of vehicles that fit in to the requirements

How Does it Work?



- Once a quote has been generated using any of the above means, they can be saved in order to compare them before starting the order process online
- Here is a typical example from the website of how it works:
- The gross monthly deduction from salary of £566.95 per month (including everything except the fuel) means you will save the amounts of income tax and NI shown in the adjacent boxes. Although the Company Car tax of £52.25 per month has to be added back in (collected via a change in your tax code). In this example, the Class 1 National Insurance savings for the company have also been passed an overall saving of £185.87 per month is made via this arrangement meaning the amount the employee sees as a reduction in net pay is only £381.08
- All vehicles shown include the fully comprehensive insurance - FIXED FOR A 2 , 3 or 4 CONTRACT PERIOD REGARDLESS OF ANY CLAIMS.
- However, rentals excluding insurance can be available on request.

OMODA
5 ELECTRIC ESTATE
155kW Knight 61kWh 5dr Auto
Automatic
Electric
P11D Value: £33,000.00
CO₂ Emissions: 0

£381.08
total estimated net salary reduction due to salary sacrifice

A white OMODA 5 Electric Estate car shown from a front three-quarter view.

| | |
|--|---|
| £566.95 All inclusive Gross Monthly salary deduction | -£226.78 Income tax saving based on marginal rate of 40%. |
| -£11.34 NI saving based on marginal rate of 2%. | £52.25 Company car tax payable. |

Risk Mitigation for Employers



- Risk mitigation is a key element of the TCH Leasing product offering which is recognised as a major issue for many interested employers.

| Reason for leaving employment | TCH Salary Sacrifice Solution |
|---|---|
| Unpaid Leave Events – SMP & SSP, Adoption (subject to a 6-month exclusion period from date of delivery to start of leave for SMP leave) | TCH Leasing to cover cost of rental for the first 12 months absence. |
| Employee Medical Grounds Termination | Zero Early Termination cost to employer |
| Employee Net Deduction Shortfall on Early Termination due to resignation | Early termination fee applies BUT any shortfall between final salary net deductions and termination fee paid by TCH Leasing. |
| Early Termination due to Redundancy | 5% of live contracts can be terminated at Zero Early Termination cost in the event of redundancy in any 3-year period |



Scheme implementation



Set Up:

Application Form completed by prospect

Credit Approval from TCH

Contracts sent out via signable

Website open for ordering on return of signed contracts

Website can be branded with company logo

Employee FAQ's included on website

Access to Payroll reports via website

Marketing support:

On site Launch days, Roadshows with vehicles on site, Clinics

Email-shots & Flyers, Wage slip inserts, Intranet page(s), leaflets posters

Webinars' available





QUESTIONS?

