Drive electric for less with Salary Sacrifice

Smart savings that go further — an employee's guide

Innovation Vehicle Leasing

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What is Salary Sacrifice?

Imagine driving a brand-new electric car, with no upfront costs, no credit checks, and everything included for one fixed monthly payment.

With Salary Sacrifice, it’s all possible. Your payments come directly out of your gross salary, saving you money on Income Tax and National Insurance Contributions (NICs).

Why choose Salary Sacrifice?

Save money
Reduce your Income Tax and National Insurance Contributions by paying through your pre-tax salary.

Hassle-free
No deposits or credit checks, just a seamless, all-inclusive package.

Go green
Drive an electric car and contribute to a cleaner planet.

Peace of mind
Your all-inclusive package includes comprehensive insurance, servicing, maintenance, and more in one fixed monthly payment.

Low BiK rates
Salary sacrifice is seen by HMRC as a taxable benefit, so you need to pay Benefit in Kind (BiK) tax. The good news? Rates are very low.

It’s really quite simple

Switching to an electric car through Salary Sacrifice is straightforward. From selecting your vehicle to enjoying tax-efficient driving, the entire process is designed to be hassle-free.

How it works

1. Choose your ideal electric or plug-in hybrid car
2. Your employer handles the setup and deducts a fixed amount from your monthly gross salary
3. Drive away and enjoy a fully maintained, insured lease — with big tax savings

Employees could save big on driving electric

Tesla Model 3
RWD 4dr Auto

Save over **£2,220** every year!

Vehicle images by IMAGIN.studio. For illustration purposes only.

Gross salary sacrifice[1]	**£601**	We'll apply the most competitive discounts available and pass these savings directly on to you. This amount is deducted from your gross salary before tax.
Employee tax saving	**-£252**	The Income Tax and National Insurance Contribution you pay is reduced due to salary sacrifice.
Average BiK[2]	**+£67**	Because you are receiving a benefit from your employer, you will pay BiK tax.
Net cost/employee pays	**£416**	**You can make significant savings with salary sacrifice.**

31% Saving

Complete cover

- Servicing
- Maintenance
- Tyres
- Glass
- Breakdown assistance
- Insurance[3] and more

Plus, you'll also benefit from **Early Termination Protection** for added peace of mind!

1. Figures are illustrative and based on a 36-month agreement, 5,000 miles per annum, and a 40% taxpayer profile (aged 40, living in Oxford). Savings will vary depending on individual tax position, vehicle choice, and mileage. Figures correct as of 30/06/26. E&OE.
2. BiK rates are favourable for zero and low-emission vehicles. See FAQs for 2025-2029 rates.
3. Insurance is subject to eligibility criteria, terms and conditions, and exclusions.

What's included with Salary Sacrifice?

What's included[1]	Complete cover
Fixed monthly rentals One fixed price set for the duration of your agreement, making budgeting simple and predictable.	✓
Servicing and maintenance[2] All routine servicing and maintenance, so you don't face unexpected garage bills.	✓
Breakdown assistance Comprehensive roadside cover, including Homestart and Recovery services, to keep you moving.	✓
Tyre replacement Replacement tyres for fair wear and tear (damage caused by abuse, neglect, theft, or vandalism is excluded).	✓
Glass replacement Windscreen and glass repairs or replacement included — avoiding extra costs if chips or cracks occur. Excess charged.	✓
Road Fund Licence Included at today's rate for the duration of your lease (future government increases may apply).	✓
Insurance[3] Fully comprehensive insurance with up to two named additional drivers — keeping you protected on the road.	✓
Early Termination Protection Protection that reduces or removes early termination costs if your circumstances change.	✓

1. Terms, conditions and exclusions apply. Read your agreement carefully before signing.
2. Not covered by the manufacturer's warranty and subject to fair wear and tear.
3. Insurance is subject to eligibility criteria, terms and conditions, and exclusions.

How you're protected

Employment event	What happens	What the customer pays
Resignation / Dismissal / Redundancy / Secondment / Career Break / Retirement / NMW[1] breach / Licence revoked (not ill health)	Hire ends	If this happens within the first 3 months, an Early Termination Payment[2] applies. After 3 months, you pay the lower of 3 months' Rent[3] or the Early Termination Payment.
Parental Leave (incl. adoption)	You can continue or end your hire	If this happens within the first 6 months, an Early Termination Payment applies. After 6 months, you pay the lower of 3 months' Rent or the Early Termination Payment.
Long-term sick (Payment Event) / Licence revoked due to ill health / Death in service	Hire ends	No Early Termination Payment applies. Mileage Rent[4] still applies.

Jargon made simple

1. **National Minimal Wage**
   You must still receive at least this after Salary Sacrifice.
2. **The Early Termination Payment**
   A cost if you end the agreement early after certain events.
3. **Rent**
   Your total monthly cost (including maintenance and insurance).
4. **Mileage Rent**
   A charge if you exceed your agreed mileage.

Too complicated? For clear, personalised guidance, speak to a salary sacrifice expert.

Protection does NOT apply if:

- More than 10% of employees are made redundant in the same year
- Five or more protected events have already occurred in the same year
- You leave during or at the end of your probation period

This page gives a simple overview of how the scheme works. It doesn't include all the details and doesn't replace the full Master Contract Hire Agreement. If there is any difference between this summary and the agreement, the agreement will always take priority. Please read the Master Contract Hire Agreement before signing up. Mileage Rent is payable on all events.

Why go electric?

Switching to an electric car is a game-changer for your wallet and the planet.

With lower running costs, cheaper charging compared to rising fuel prices, and fewer moving parts to maintain, driving electric simply makes financial sense. Electric vehicles (EVs) are smooth, quiet and packed with cutting-edge tech, making every journey more enjoyable.

And every mile you drive helps cut emissions and create a cleaner, greener future for everyone.

Benefits you'll love

Make big savings
Enjoy significant reductions on the cost of driving electric.

Predictable costs
A fixed monthly payment makes budgeting simple.

Access great deals
On popular models.

Better driving experience
Smooth, quiet performance with instant acceleration.

Greener choice
Reduce your carbon footprint every day.

Home charging, made easy

A simpler, more rewarding way to charge your EV at home.

Pod Drive brings everything you need to charge at home into one simple package: an award-winning Pod Point home EV charger, professional installation and the exclusive Pod Power tariff from EDF. Plus, Pod Rewards lets you earn cash when you smart charge.

What's included?

Pod Point 7kW Solo 3S home charger
A smart, reliable home charger with app control trusted by over 250,000 customers.

Professional installation
Installed by accredited engineers, with safety checks included as standard.

Exclusive Pod Power tariff from EDF
Access lower off-peak rates to help you charge for less.

Earn cash with Pod Rewards[1]
Earn cash when you smart charge, with rewards worth up to £100 a year.

Five years of peace of mind
Your charger and installation are covered by a comprehensive 5-year warranty.

Home charging that works around you

Plug in when you get home, set when you need your car ready and let smart charging do the rest. Pod Drive helps you charge at lower-cost times and earn cash through Pod Rewards.

Choose how you pay

Pay upfront
~~£999 RRP~~ **From £899[2]**

Subscribe
~~£99 upfront~~ **£0 upfront,[3] then £30/month for 36 months.[4]**

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4. One fixed monthly payment for 36 months. After that, your Pod Drive subscription continues on a rolling monthly basis.

Ready to get started?

There are two simple ways to move forward:

Speak to your employer

Ask your employer whether they already have a salary sacrifice scheme in place, or if they would consider setting one up.

Share your employer’s details

If a scheme isn’t already in place, you can pass on your employer’s details and we’ll contact them directly to discuss next steps.

Get in touch today

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Frequently asked questions

What is a car salary sacrifice scheme?
It's a way for employees to drive a brand-new electric car by giving up part of their gross salary. Because the cost comes out before Income Tax and National Insurance Contributions, employees save compared to funding a car privately.

Is a salary sacrifice car classified as a company car?
Yes, a salary sacrifice car is technically considered a company car because it is provided through the employer as part of your benefits package. Since the car is offered in exchange for a reduction in your gross salary, it falls under the definition of a company car for tax purposes.

What's included in the monthly cost?
The all-inclusive monthly payment covers:

- Servicing, maintenance and MOTs
- Tyre and glass replacement
- Breakdown assistance
- Comprehensive insurance

Is the scheme open to all employees?
Most employees can be included, subject to company policy and affordability checks.

Are all electric vehicles included?
Yes. The scheme gives employees access to a broad selection of new electric vehicles, all available with low Benefit in Kind (BiK) rates.

How long can I keep the car?
Agreements usually run for 2, 3, or 4 years at a fixed monthly cost for easy budgeting.

Are there limits on mileage?
Yes. Each lease includes an agreed mileage allowance. Exceeding this will result in an excess mileage charge.

What happens at the end of the lease term?
At the end of the lease, the driver can simply hand back the keys and walk away, or choose a new vehicle and continue with the scheme.

What counts as fair wear and tear?
Normal day-to-day use is expected. Charges may apply for damage outside BVRLA industry-standard 'fair wear and tear,' such as dents, neglect, or misuse.[1]

What is an early termination payment?
An early termination payment is a cost that applies if the lease ends early.

What protections are in place against early termination payments?
Early Termination Protection covers many common life events where an employee may need to end their agreement early. After the first three months, it reduces or removes early termination charges in situations such as redundancy, long-term sickness, parental leave or death in service.

How does salary sacrifice affect my take-home pay and tax contributions?
Salary sacrifice reduces your gross salary, which lowers your Income Tax and National Insurance Contributions. The reduction is offset by the savings and benefits you gain with a salary sacrifice car including maintenance and insurance.

How does the scheme affect my pension contributions and other benefits?
Salary sacrifice reduces your gross pay, which may impact contributions to salary-based benefits such as pensions. However, the effect is usually minimal. We recommend discussing this with your HR or payroll team to understand the specific impact on your benefits.

1. Vehicles must be returned in line with industry standard BVRLA Fair Wear and Tear guidelines.

Frequently asked questions

What is Benefit in Kind (BiK) tax?

Employees pay BiK tax on perks they receive from their employer, like a company car, on top of their salary. HMRC calculates BiK separately from your salary, so the BiK tax is deducted before your pay reaches your bank account. If you use a company car for personal trips, you'll pay BiK tax from your monthly wages.

Do I pay Benefit in Kind (BiK) tax on a salary sacrifice car?

Yes, BiK tax applies, but here's the good news: electric cars have the lowest rates, helping you save more!

How is BiK tax calculated?

BiK tax is based on two factors: your car's CO_2 emissions and the car's P11D value (the list price of your car including VAT and delivery fees but excluding first registration fees and annual Road Fund Licence). Multiply the car's P11D value by the BiK rate to get the annual benefit, multiply that by your Income Tax rate to get the annual tax, then divide by 12 — that's what's taken each month through PAYE.

20% Taxpayer example

£30,000 × 4% = £1,200
P11D value x BiK rate = BiK Amount

£1,200 × 20% = £240
BiK Amount x Personal Tax Rate
= Annual BiK Amount

What are the BiK rates for electric vehicles?

The lowest rates apply to zero and low-emission vehicles:

Tax Year	BiK Rate
2026/27	4%
2027/28	5%
2028/29	7%
2029/30	9%

This compares to up to 37% for high-emission cars, making EVs a far more affordable choice for your employees.

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