

## **Car Scheme ('Carplus')**

### **1 Introduction**

1.1 This document sets out the rules of the Salary Sacrifice Car (SS4C) Scheme. By participating in the scheme you are agreeing to adhere to these rules. This document should be read in conjunction with the Salary Sacrifice Agreement and the SS4C Frequently Asked Questions (FAQs).

1.2 It should be noted that participation in the SS4C Scheme is entirely at your discretion. You should ensure that you are satisfied with the terms and conditions in respect of the products and services on offer.

### **1.3 Definitions**

- "Us"-Nottingham City Council
- "You"-Employee
- "Agreement" – your agreement with Us comprising the Salary Sacrifice Agreement and the Scheme Policy
- "Vehicle" means the vehicle you order and all parts and accessories including keys, master keys, remote devices, alarm and immobilizer codes and documents containing the information that you need to use and obtain the benefit of the vehicle, (including the service book, manufacturer's handbook and the vehicle warranty)

## **2 Part One: Our Agreement with you for use of the Vehicle**

2.1 The SS4C Scheme operates as a Salary Sacrifice arrangement. This means that you voluntarily sacrifice a portion of your gross salary for the period of the scheme. In return, you will be provided with the use of a Vehicle. This arrangement will last for a period of 3 years subject to any change in the duration of your participation in the SS4C scheme as described below.

2.2 Nottingham City Council has appointed Tusker to operate and manage the SS4C scheme.

2.3 In certain circumstances you may also have to pay charges which are separate to the amount that you sacrifice from your gross salary during the term of the Agreement. These charges are outlined in the relevant sections below. All charges exclude VAT which you must pay. Where it is necessary for you to pay a charge, we will inform you of the charge in writing and will make a deduction from your net pay at the next available payroll.

## **3 Pre-Delivery and taking Delivery of your Vehicle**

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- 3.1 If, prior to arranging delivery of your Vehicle, you decide that you no longer want to participate in the SS4C scheme you can cancel your order by telephoning the Tusker Driverline. You may be required to pay a cancellation charge.
- 3.2 If, after arranging delivery of your Vehicle but before taking delivery of the Vehicle, you decide that you no longer want to participate in the SS4C scheme, you will incur a cancellation charge. This will be notified to you at the time of cancellation.
- 3.3 You must be present when the Vehicle is delivered. You will be asked to inspect the Vehicle to ensure there is no damage and that any additional options you have ordered are present. You will then be asked to sign an inspection report. If any of the additional options you have ordered are not present or you notice any damage, please call the Tusker Driverline prior to signing the inspection report.

#### **4 Use of Vehicle**

- 4.1 Once you have taken delivery of the Vehicle you are able to enjoy use of it for both personal and business purposes. However, there are several restrictions on how you may use the Vehicle.
- 4.2 You must obtain the permission of Tusker in writing if you wish to:
- use the Vehicle for towing;
  - convert, modify or alter the Vehicle; or
  - affix any sign, letter or advertisement to the Vehicle

Permission can be obtained by contacting the Tusker Driverline.

- 4.4 You must not:
- use the Vehicle as security for the payment of a debt or;
  - involve the Vehicle in any other legal process;
  - mortgage the Vehicle;
  - loan, hire, rent out, or otherwise part possession with the Vehicle;
  - use the Vehicle on building sites;
  - use the Vehicle for any trial, racing, rallying, pace making, speed testing or any form of competition;
  - use the Vehicle for off-road driving;
  - use the Vehicle to give driving tuition to anyone that is not on the insurance policy;
  - allow the Vehicle to be driven by anyone who does not hold a provisional or full UK driving licence;
  - allow the Vehicle to be driven by anyone who has not been approved

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by the insurers;

- overload the Vehicle as per limitations guidance in the manufacturer's handbook;
- disconnect or tamper with the odometer drive cable; or
- transfer the benefit of your Agreement with us or transfer any of the obligations that you owe to us under the Agreement

## **5 Servicing, Maintenance and Repair**

- 5.1 The process for you to obtain servicing, maintenance and repair is set out in the Driver's Guide.
- 5.2 Any references to Fair Wear and Tear means the fair wear and tear to a Vehicle that is described in the British Vehicle Rental and Leasing Association guide entitled "Fair Wear and Tear for Company Cars" as varied from time to time. A copy of the guide is available from Tusker on request.
- 5.3 The scheme covers the cost of:
- routine servicing, maintenance and repairs of the Vehicle including for Fair Wear and Tear
  - replacement of exhausts, batteries and tyres.
- 5.4 However, the scheme does not include all costs of repair to the Vehicle as a result of:
- damage to the Vehicle, misuse of the Vehicle or abuse to the Vehicle, including repairs to bodywork, tyres punctured and/or damaged by your negligence, misuse or abuse (and this is not an exhaustive list of damage)
  - charges for replacement glass (except where this is covered by your Insurance Policy) or;
  - fuel and 'top-up' oils and lubricants between servicing

You are responsible for paying the charges for these repairs and items

- 5.5 You must:
- maintain the bodywork and the exterior and interior of the Vehicle in good condition (Fair Wear and Tear excepted) having regard to the age and mileage of the Vehicle,
  - maintain the Vehicle and carry out maintenance in accordance with the manufacturer's handbook
  - maintain the Vehicle in a roadworthy condition,
  - obtain servicing, maintenance and repair services by following the rules set out below:
  - book the Vehicle in for servicing, maintenance and repairs through the

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SS4C website or by telephoning the Tusker Driverline because this will ensure that the services will be provided by our approved garages.

5.6 You must not-

- have the Vehicle serviced, maintained or repaired at any garage not approved by Tusker. If you do not arrange services, maintenance and repairs through Tusker, you will have to pay all the reasonable costs of repair. If these unauthorised services, maintenance and/or repairs devalue the Vehicle, you must pay us the loss in value. The loss in value will be determined by an independent vehicle assessor. If the assessor determines that there is a loss in value then in addition to you paying the loss in value, you must also pay Tusker's costs in appointing the vehicle assessor

5.7 Servicing, maintenance and repair services are only available in the UK (unless you have obtained permission to take your Vehicle abroad and Tusker have approved maintenance and repairs to be carried out under section 2 of this document).

## 6 Odometer (Mileage Meter) Maintenance

6.1 You must:

- notify Tusker as soon as possible if the odometer fails to function;
- take a mileage reading and send this in writing along with the date of the failure to Tusker; and
- obtain a replacement odometer (this can be arranged via the Tusker Driverline at Tusker's expense).

6.2 When Tusker calculates whether you have exceeded your Scheme Mileage, Tusker will pro-rate your Scheme Mileage or pro-rate your previous registered mileage (for each day that your vehicle does not have a working odometer) for the purpose of determining whether you have exceeded your Scheme Mileage.

## 7 Statutory Requirements and Road Fund Licence (tax disc)

7.1 Tusker will provide and renew your road fund licence (i.e. tax disc) for the Vehicle and in the case of renewal, prior to the expiry of the preceding road fund licence. From October 2014 you will no longer be required to display a paper tax disc as all road fund licences will be fully computerised.

7.2 If the cost of the licence, VAT or Insurance Premium Tax changes whilst you have the Vehicle, it may be necessary to amend your Salary Sacrifice Agreement to reflect this change. If this becomes necessary, either Tusker or

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your Employer will write to you.

- 7.3 It is your responsibility to ensure the use of the Vehicle complies with all laws relating to the Vehicles and you must have and maintain all applicable licences, duties and registrations relating to the Vehicle.
- 7.4 If the law changes so that a modification is required to be made to the Vehicle (an example of this would be that a fire extinguisher must be carried in the vehicle at all times), you must bear the cost of complying with this. You are responsible for any statutory notices and fines.
- 7.5 You must:
- pay for all parking fines, fees or penalties, speeding fines, bus lane fines and any other fines issued to you during the term of the Agreement relating to the Vehicle or your use of the Vehicle including those which result from motoring offences, violation or traffic or parking regulations.
  - pay the London congestion charge if you enter the appropriate zone.
- 7.6 If you do not pay these amounts then Tusker will pay them on your behalf and we will recharge this cost to you together with an administration fee. If as registered keeper of the vehicle, Tusker receives notification of any speeding fine or non-payment of a fixed penalty notice, Tusker will charge an Administration fee of £10 plus VAT for dealing with such notification. If you wish to challenge any fines paid by Tusker on your behalf, you will have the option to do so and instructions for this will be provided within the communication sent to you regarding the fine.
- 7.7 If you use the Vehicle contrary to applicable law, You must reimburse Us for any loss that Nottingham City Council /and or Tusker suffer.

## **8 MOT/Testing**

- 8.1 You must:
- submit the Vehicle for testing as required by law, e.g. an MOT, before the date any test certificate or replacement test certificate is required.

## **9 Roadside Assistance**

- 9.1 European roadside assistance and breakdown cover is included for the Vehicle as part of the services provided to you.
- 9.2 You must:
- only use the roadside assistance provided under this scheme and we will not pay to you any costs that you incur if you use any other

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roadside assistance service provider.

- book all roadside assistance by telephoning the Tusker Driverline. If you do not arrange roadside assistance through Tusker, you will have to pay all the reasonable costs for the roadside assistance.

## 10 Insurance

10.1 The Vehicle is fully comprehensively insured against all loss or damage resulting from fire, theft and other risks (including shattering of windows) and for all other third party liabilities including personal injury and damage to property. Fully comprehensive insurance is included as part of the services provided to you by us and your policy document will be sent to you directly by the Insurer.

10.2 You must:

- on request provide Us and/or Tusker with a copy of the insurance policy you have in place;
- notify Tusker of any damage to the Vehicle as soon as possible and in any event you must notify Tusker within two days of the damage being incurred
- on request, (unless this would invalidate your insurance) deliver the Vehicle to a location requested by Tusker to enable repairs to be carried out (whether or not you are making a claim under the insurance policy)
- pay the full amount of any insurance policy excess for every claim you make under the policy
- pay any money received by you because of loss or damage to the Vehicle (including any insurance monies paid to you by any party or by the person that damaged the Vehicle) to Us
- ensure that you have provided accurate information to the insurer at all times. This will include providing accurate insurance history for you and/or for other named drivers on the policy. Failure to do this may invalidate your insurance policy
- notify the insurer in writing of any changes that have an impact on the insurance policy (including change of your home address). Failure to do this may invalidate your insurance policy
- notify the insurer of any driving convictions. Failure to do this may invalidate your insurance policy
- Comply with the terms of your insurance policy at all times. Failure to do this may invalidate your insurance policy

10.3 You must not:

- do anything that will void the insurance policy;
- do anything to prevent an insurance payout being paid out;
- do anything to invalidate the manufacturer's warranty

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## **11 Outside of Insurance**

- 11.1 If any damage caused is not covered by insurance due to your use, abuse, negligence or misuse of the Vehicle, you must pay the reasonable costs of repair. If the Vehicle is then devalued, you must pay the loss in value to Us. The loss in value will be determined by an independent vehicle assessor.
- 11.2 If there is damage sustained to the Vehicle (other than Fair Wear and Tear) which is not covered by your policy of insurance for any reason you must pay the reasonable cost of repair plus the amount of any decrease in the value of the Vehicle.

## **12 Travel Abroad**

- 12.1 You may only take the Vehicle outside of the UK to the European Economic Area (and not to countries outside of the European Economic Area) for a maximum of 28 consecutive days in one year and with Tusker's permission in writing which will be in the form of a letter sent to you. You can request this by telephoning the Tusker Driverline.
- 12.2 Tusker will arrange a VE103b (this is a legal requirement), which is valid for 12 months, at a charge to you of £10.00 plus VAT. You will be required to pay this charge direct to Tusker.
- 12.3 You must at Tusker's request, inform Tusker of the location of the Vehicle whilst abroad and ensure that the policy of insurance covers the Vehicle whilst it is abroad
- 12.4 The roadside assistance included in the services that we provide to you is also valid in Europe. All roadside assistance services you require whilst you are abroad must be booked through Tusker. If you do not arrange roadside assistance through Tusker, you will have to pay all the reasonable costs for the roadside assistance.
- 12.5 You must also contact the Insurer direct to inform them of the dates you are travelling to ensure the policy is valid whilst you are in Europe.
- 12.6 All maintenance and repairs carried out whilst you are abroad must be booked through Tusker. All services, maintenance and repairs must be carried out by a dealership franchised by the manufacturer of the Vehicle who is approved by Tusker (unless it is impractical for you to reach one of our approved garages). You will pay for all work whilst you are abroad and Tusker will reimburse you on your return up to a maximum of what that work would have cost if it had been carried out by one of our approved garages in

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the UK.

If you do not arrange services, maintenance and repairs through Tusker, there may be no reimbursement.

## **13 Smoking**

13.1 When a vehicle is classed as a company car it will be required to be smoke free at all times. As all salary sacrifice vehicles are classed as company cars, you are not permitted to smoke in your vehicle.

### **13.2 Penalties**

Where penalties are applied for noncompliance the driver is responsible for any fines or penalties that may occur, existing penalties are:

- Smoking in a smoke free premises or vehicle: a fixed penalty notice of £50 or a fine up to £200.
- Failure to display no smoking signs in smoke free premises and vehicles as required by smoke free legislation: a fixed penalty notice of £200 or a fine up to £1,000.
- Failing to prevent smoking in a smoke free premises or vehicle: a fine up to £2,500.
- Employees who wish to smoke must do so outside the vehicle when safely and correctly parked in an appropriately designated area when taking routine rest breaks and dispose of cigarette ends and packaging responsibly.
- Smoking in vehicles can cause damage to the fabric of the vehicle interior and burns to seats and carpeting, additionally smoke residue may accumulate on the inside of the windscreen. Such damage adversely affects the return of the vehicle.

Employees who cause damage to salary sacrifice vehicles through smoking may be required to meet the full cost to make good any such damage.

## **14 Changing the Terms of the Agreement**

14.1 When you select your Vehicle you will be able to choose your “Scheme Mileage” based on your own personal circumstances. This is the number of miles you anticipate driving during the three year Agreement. Your chosen Scheme Mileage directly influences the amount of Salary you will be required to sacrifice. If you vary from this mileage significantly it may be necessary to end this Agreement and to enter into a new Agreement with a variation to either Scheme Mileage and/or the duration of the Agreement. This approach would only be taken in order to avoid you paying significant excess mileage

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charges at the end of the Agreement. However it is likely that any increase in your Scheme Mileage will also result in an increase in the amount of Salary you will be required to sacrifice.

#### 14.2 Change by You

If your circumstances change and your actual mileage is or is likely to be significantly higher or lower than the mileage you expected to be driving (such expected mileage is referred to by Tusker as your “Scheme Mileage”), it may be possible to amend your Salary Sacrifice Agreement in order for you to avoid incurring significant excess mileage charges at the end of the agreement, or in the case of reducing your scheme mileage reduce the amount of your monthly salary reduction. Please note it is likely that any increase in your Scheme Mileage will also result in an increase in the amount of Salary you will be required to sacrifice as more miles travelled will incur higher servicing costs.

14.3 Any change must be made at least four months before the end of your existing Agreement and the minimum change to the Scheme Mileage must be at least 5,000 miles before you can make any changes.

14.4 If you accept the changes, your existing Agreement will end and a new Agreement reflecting the requested changes will be put in place which you must comply with. You may change the duration of your Agreement to that which was agreed with you under your previous Agreement with us.

### 15 **Maternity, paternity and adoption leave**

15.1 If the reduction to your pay takes you below the statutory minimum level of pay applicable during periods of maternity/paternity/adoption leave, the reduction to your salary will cease. In these circumstances you will continue to have use of the vehicle.

### **Part Two: End of our agreement with you**

#### 16 **Returning your Vehicle**

16.1 At the end of the Agreement, you must arrange for the Vehicle, along with the keys and all relevant documents, to be made available for collection by Tusker. You will need to make collection arrangements with Tusker giving at least 5 working days notice. If you fail to return the Vehicle as described, your salary sacrifice arrangements will continue to be made until the Vehicle is returned.

16.2 If you have affixed any sign, letter or advertisement onto the Vehicle these

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must be removed before the Vehicle is collected by Tusker.

- 16.3 You must be present when the Vehicle is collected by Tusker. Tusker will inspect the Vehicle and you will then be asked to sign an inspection report. Your signature in this report will confirm the condition the Vehicle is being returned in. This is important as you may have to pay some charges if the Vehicle is not in a reasonable state of repair.
- 16.4 Following your return of the Vehicle, you will not have to pay:
- charges for Fair Wear and Tear; or
  - charges for anything that is consistent with the Vehicle's age and mileage.
- 16.5 Following your return of the Vehicle, you may have to pay:
- Excess Mileage Charges (see below);
  - for any damage or defects not resulting from Fair Wear and Tear;
  - the costs of rectifying any sub-standard repairs that were not arranged in accordance with the processes set out in this Driver's Guide or on the website;
  - for the replacement of any missing accessories (including keys or service books); or
  - for the removal of any accessories/equipment fitted by you or for the repair of any damage caused by the removal of any accessories/equipment fitted by you.
- 16.6 You will reimburse us any reasonable costs or expenses that we must pay Tusker as a result of Tusker having to recover and repossess the Vehicle if you do not return the Vehicle in accordance with your Agreement with us.

## **17 Excess Mileage Charges**

- 17.1 On collection of the Vehicle, Tusker will take a reading of the mileage ("Actual Mileage") and will compare the reading to the Scheme Mileage. Where the Actual Mileage exceeds the Scheme Mileage, you must pay a charge for the excess mileage used. This charge will be calculated by multiplying the number of miles in excess of your Scheme Mileage by the rate per mile set out in your Quotation Summary.

## **18 Returning the Vehicle early**

- 18.1 You may end your Agreement with us on written notice to us and return the car before the end of the Agreement between us, however, You must notify us in writing of the date that you would like the Agreement between us to end. We will refer to this as the "Early Termination Date".

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18.2 This is only on condition that:

- your Salary Sacrifice arrangements and salary reductions continue until the date of termination of the Salary Sacrifice Agreement and you pay the Early Termination Charge (described below)

## 19 Early Termination Charge

19.1 If you decide you want to end this Agreement before the end of the agreed term you will be required to pay an Early Termination Charge and this could be a material sum. An Early Termination Charge will also be due if your Agreement is terminated as a result of your breach of its terms.

19.2 The amount of the Early Termination Charge will depend upon a number of factors, and will take into account the following main elements:

- How early you return the Vehicle as this will determine the amount by which the Vehicle has depreciated;
- Actual mileage on the Vehicle at the time of termination as this may attract an excess mileage charge;
- The cost of repairing any outstanding damage on the Vehicle;
- An administration fee of £100 plus VAT to cover the cost of processing the termination;
- The estimated sale proceeds of the Vehicle, calculated by Tusker in the month of termination, (which will be influenced by the strength or weakness of the used car market at that time) and the estimated costs of sale of the Vehicle.

It should be noted that this is a complex calculation and will not be based upon the total amount of salary sacrifice remaining until the end of the Agreement.

19.4 If you are considering terminating your Agreement you should contact Tusker to obtain an estimate of the Early Termination Charge that will be charged before making your final decision. Tusker will inform us of any early termination requests. You will also have the option to purchase the vehicle at the current market rate should you wish to do so, Tusker will be happy to provide you with a price to purchase at your request.

## 20 Early Termination Charge Exemptions

20.1 Under certain circumstances you will not be required to pay the Early Termination Charge (excluding any Excess Mileage Charge which shall still be payable). These circumstances are detailed below but are subject to the "Exclusions" listed below:

- you leave your employer due to redundancy (but see the first Exclusion listed below);

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- your driving licence is withdrawn for medical reasons
- your death;
- you suffer disablement or mental illness;
- you lose your sight; or
- you suffer physical separation of one or more limbs at or above the wrist or ankle;
- you voluntarily resign and leave the organisation (but see the first Exclusion listed below);

## 20.2 Exclusions

The exclusions to the above are:

- If you resign or you are made redundant in the six month period commencing on the date your Vehicle was delivered to you;
- If you are dismissed from your employment;
- If any of the circumstances listed above was known or could reasonably be expected to be known by you on the date your Vehicle was delivered to you;
- Where any pre-existing medical condition (such condition being the cause of you notifying us that you wish to end your participation in the SS4C Scheme), was known or could reasonably be expected to be known by you when you submit your Order;

## 21 Early Termination Charge where the Vehicle is written off

21.1 If the Vehicle is the subject of an insurance write off:

- you will be obliged to continue the Salary sacrifice arrangements until such time as the insurance proceeds are paid. Where the write off was not your fault your insurer will provide you with a replacement vehicle whilst the Salary sacrifice arrangements are continuing (as long as this is provided for by your policy of insurance for the Vehicle); and
- you will be obliged to pay an Early Termination Charge, calculated as set out in paragraph 19 above, however, as there will be no actual sale proceeds for the written off Vehicle the insurance proceeds received in respect of the Vehicle will be used to calculate the Early Termination Charge instead of the sale proceeds; you will be covered for the first £5,000 (excluding VAT) of any Early Termination Charge (excluding any Excess Mileage Charge which shall still be payable) by Total Loss Protection, no matter when in the Agreement the vehicle is declared a total loss.

## 22 Part 3 – Schedule of Administration Charges

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22.1 You will be required to pay the administration charges listed below for the services that are not covered by the scheme:

Description Charge

- Processing Parking Fines, Congestion Charges etc £10
- Lost or unreturned keys at termination date £100
- Lost or unreturned Service Book at termination date £250
- VE103B (valid for 12 months) £10

22.2 Administration charges are payable to us with the exception of the VE103b cost which is payable directly to Tusker. All charges quoted above are subject to VAT.

### **23 Part 4 - Website**

23.1 You agree that you will not allow the login name and password given to you to enable you to access the website to be used by anyone other than you.

23.2 The information provided on the website including the Tax Calculator, the Cash for Car Analysis, Benefit in Kind Tax, Product Evaluator and product descriptions do not in any way constitute financial advice by us. You should always seek independent financial advice.