

car maintenance scheme

affordable and cost-effective vehicle maintenance and repairs for employees



overview

The cost of car maintenance and repair can be a real financial burden to employees and in the current climate, employees will be looking for new ways to manage their finances. The Car Maintenance Scheme helps to make maintaining a vehicle and repairs more affordable.

key features

- ✓ Employees can pay for their car servicing and repairs over a 12-months and spread the cost
- ✓ The scheme is operated through Halfords
- ✓ Employees give up part of their pre-tax salary in exchange for a Letter of Redemption
- ✓ Paying for the scheme via salary sacrifice will reduce the amount of National Insurance each employee will pay
- ✓ Employees can redeem their Letter of Redemption at over 300 Halfords Autocentres throughout the UK

letter of redemption

Employees can use their Letter of Redemption to pay for:

- ✓ MOTs
- ✓ Servicing
- ✓ Repairs
- ✓ Replacement tyres
- ✓ Wipers
- ✓ Headlights
- ✓ Air conditioning
- ✓ Winter checks

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benefits for employees

- ✓ Apply for any amount required in increments of £1 from £60 to a limit set by you
- ✓ Ensures employees are driving a safe and well-maintained vehicle
- ✓ The scheme can be used to maintain other household vehicles
- ✓ Employees are encouraged to join the scheme before their routine service is due, so the Letter of Redemption is ready when they need them
- ✓ Alternatively, employees can apply for a Letter of Redemption as and when servicing or repairs are required
- ✓ Simple to get a price for the cost of a service, MOT and replacement tyres through the Halfords Autocentre website by entering a vehicle registration
- ✓ Employees can make a second application if the original amount applied for is insufficient (subject to not exceeding the maximum application amount set by the employer) and a second agreement will be set up
- ✓ Any leftover funds on the Letter of Redemption can be used to pay for future maintenance or repairs in the following year
- ✓ Employees can take advantage of any promotions that may be on offer through Halfords Autocentres
- ✓ Employees will have peace of mind knowing that their car maintenance costs are taken care of

“ **Martin new he would need an oil change and filter in the next year. Using the scheme, he saved £18 and paid £11 per month**

how does it work

Payments are taken from your employees' gross salary, saving a basic rate tax payer 12% by reducing the amount of National Insurance they pay. This means they effectively reduce the cost of their car repairs by 12%. A higher rate taxpayer would save 2%.

benefits for employees

- ✓ The scheme has a broad appeal to employees
- ✓ Set the length of the payment period, up to a maximum of 12-months
- ✓ Ability to choose a cap for employees
- ✓ Retrospective invoicing to enable employees to use their Letter of Redemption prior to you paying Halfords
- ✓ You can self-fund the scheme and gradually recoup back the initial outlay through salary deductions or alternatively, Halfords can provide funding for a small charge and your payments will be spread in line with your employee deductions
- ✓ The scheme helps to reduce the financial burden and stress when employees are faced with car issues
- ✓ Encourages a proactive approach to car maintenance, reducing the potential for car breakdowns and lost time off work
- ✓ The ability to offer the benefit in either a salary sacrifice or net deduction solution

“ **Annabel joined the scheme to pay for servicing and MOTs monthly, saving £28.20 per year**