

Myths About Electric Car Salary Sacrifice

Insights from 250+ Senior HR Professionals





MESSAGE FROM OUR CO-FOUNDER & CEO

As we look ahead to 2025 and beyond, many of you are considering how to enhance your employee benefits offering in a sustainable and cost-effective way. We urge you to consider our electric car salary sacrifice scheme as a powerful addition to your benefits portfolio.

As a HR leader, you know the importance of offering attractive perks, but many can be costly and lack a guaranteed return. The Electric Car Scheme is a **cost-free** option that offers your employees **20–50% savings** on driving an electric car – a true win-win for both your business and your team.

We recently conducted a survey, gathering insights from over 250 senior HR professionals about salary sacrifice for electric cars. The results revealed that **83% of companies plan to offer an electric car salary sacrifice scheme in 2025**.

This indicates that the coming year could see a significant jump in employees taking advantage of this generous benefit, good news for staff looking to reduce their carbon emissions and make the most of the tax incentives available.

However, the survey also exposed persistent concerns about the perceived cost and risk of implementing a scheme, along with several other misconceptions that might be holding some organisations back.

In this guide, we will address and dispel these myths using the latest data and highlight new opportunities (like saving on EV charging and offering used cars) that can further boost the benefits to your employees.

Thank you for taking the time to read these insights. We built The Electric Car Scheme to help people make sustainable decisions more affordable, and we hope this report empowers you to do the same for your organisation.



Thom Groot
Co-Founder & CEO, The Electric Car Scheme





WHAT IS SALARY SACRIFICE FOR ELECTRIC CARS?

Salary sacrifice is a benefit that allows employees to save 20-50% on the cost of any electric car on the market.

The Electric Car Scheme is different from the usual car leasing providers. Instead of paying with your post-tax income, the fixed monthly payments for the car are taken from your salary before any Income Tax or National Insurance is deducted.

The percentage of savings available is dependent on your salary, marginal tax rate and the Benefit in Kind (BIK) tax rate - simply, the more tax you pay, the more you save with The Electric Car Scheme.

A car through The Electric Car Scheme is an employee benefit provided to you. As it's a 'company car', there is a company car tax payable, known as Benefit-in-Kind, or BiK. However, the value of BiK, set by HMRC, is set very low to encourage the adoption of EVs - currently only 3%

Take this BYD deal on the right as an example. If you were to lease this car yourself, it would cost you £813/month as you would pay for it from your net salary.



MONTHLY GROSS COST	£813
INCOME TAX SAVINGS	-£325
NATIONAL INSURANCE SAVINGS	-£16
AVERAGE BENEFIT IN KIND	+£72
NET COST/YOU PAY	£544

However, through an electric car scheme, the £813 lease cost is taken directly out of your gross pay. This means your income tax will fall by £325/month, and your NI contributions will fall by £16/month. You will need to pay £72 in BiK. However, the total net cost to you would be only £544. This represents a saving of £12,938, or 33% over a 4 year lease!

Through The Electric Car Scheme, employees can **save upwards of £10,000 on their dream electric car**, as they pay less on their Income Tax and NI contributions.



AWARENESS AND DEMAND FOR EV SALARY SACRIFICE

Our survey results show that awareness and demand for salary sacrifice schemes among HR professionals are high.

81% of respondents were aware of salary sacrifice as a concept, and over half were considering implementing a scheme.

This indicates that this year could see a significant jump in the number of employees taking advantage of this generous benefit. This is good news for employees wishing to make the switch to reduce their carbon emissions and make the most of the generous tax incentives available.

While awareness of EV salary sacrifice schemes is high, there are a number of potential misconceptions which may be holding back uptake.

What do senior HR professionals think about salary sacrifice schemes?



92%

Think salary sacrifice schemes are risky

79%

Think implementing a scheme has a cost

60%

Believe running a scheme involves lots of work & admin for HR teams

97%

Underestimate the average savings an employee can make using the scheme

97%

Also thought salary sacrificing used cars will not be a popular option amongst employees

84%

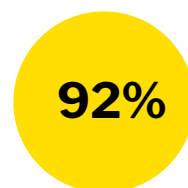
Believe that employees cannot salary sacrifice the cost of electric car charging

MYTH 1: COMPANIES BELIEVE THERE ARE SIGNIFICANT RISKS WHEN IMPLEMENTING AN ELECTRIC CAR SCHEME

Electric car salary sacrifice schemes have become well known as the most affordable way to get into an electric car. However, concerns still exist within businesses as to the costs and practicalities of implementing one, with risk of early termination fees among the areas holding them back.

For example, in the event that an employer needs to make an employee redundant, the company could incur a fee equal to 50% of the remaining car lease costs. This could amount to tens of thousands of pounds. Taking significant financial risks, even when offering substantial benefits, is often seen as a blocker for a company to offer a salary sacrifice scheme to employees.

REASON FOR RETURN	WHAT'S PROTECTED?
Resignation	From 3 months
Redundancy	Yes, immediately
Dismissal	Yes, immediately
Parental leave	Yes, immediately
Long-term sickness	Yes, immediately
Loss of licence (medical)	Yes, immediately
Death	Yes, immediately
Excess to pay for protection	None
Caps or limits of usage	None
If employee doesn't pay for ET fees or damage	Yes



Our survey says:

of senior HR professionals believe salary sacrifice schemes carry risk

The reality is...

Companies signed up to The Electric Car Scheme are not at risk if an employee who's part of the scheme decides to leave. Complete Employer Protection lets employers help their employees get electric cars without the worry of facing major financial risks if those employees leave while they're still leasing the vehicle.

The Electric Car Scheme's Complete Employer Protection package provides reassurance that the employer is protected from day 1. If an employer has to make redundancies or dismiss an employee, they can do this at any time without facing a fee. The Electric Car Scheme's Complete Risk Protection package also protects the employer from any shortfall due to employee resignation, long-term sickness or family-friendly leave.

To learn more about our Complete Employer Protection offering, **[click here](#)**



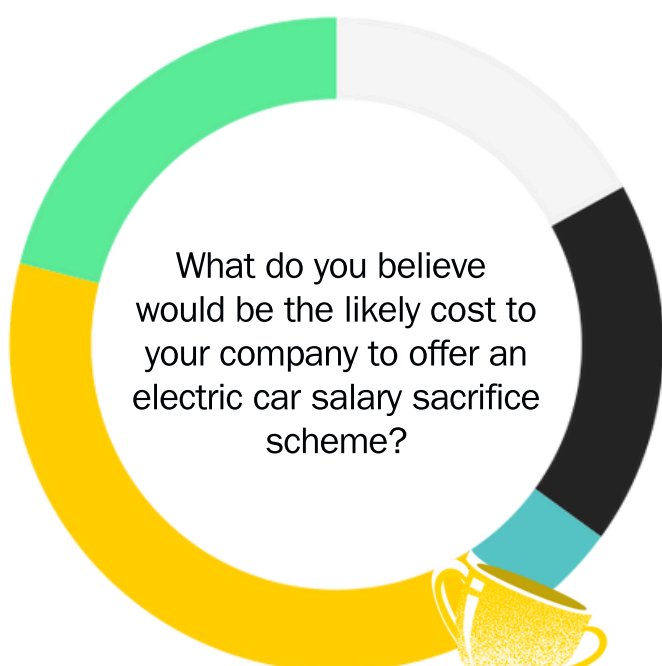
MYTH 2: COMPANIES BELIEVE IT WOULD COST THEM MONEY TO OFFER AN ELECTRIC CAR SCHEME

79%

Our survey says:

believe it would cost them money to offer an electric car scheme

The survey also looked into what HR directors think about the costs of starting EV salary sacrifice schemes. This is important because high costs might stop companies from offering this benefit. The survey found that 79% of HR directors believe the scheme would cost the employer to some extent.



- 18%** Likely to cost the employer £1,000 - £10,000 per year to launch and run the scheme
- 6%** Likely to cost the employer more than £10,000 per year to launch and run the scheme
- 38%** Likely to cost the employer but uncertain about the exact amount
- 21%** No cost for the company to implement and run
- 17%** I do not know

BUT HERE'S THE GOOD NEWS...



COST NEUTRAL MODEL

The Electric Car Scheme works on a cost-neutral model. There are no setup or running costs, and our fee is the same as your employer's tax savings. So, **you can launch the scheme without spending any money for your business.** This challenges the idea that offering such benefits is a financial burden.

We believe that Net zero choices should be affordable for all.

To learn more about how our scheme works, **[click here](#)**

MYTH 3: COMPANIES BELIEVE IT WOULD TAKE A CONSIDERABLE AMOUNT OF WORK INTERNALLY TO IMPLEMENT AN ELECTRIC CAR SCHEME

60%

Our survey says:

of HR teams believe it would take a considerable amount of work internally to set up and run an electric car scheme

We asked HR directors about the effort needed to set up and run an EV salary sacrifice scheme in their companies. Most (60%) thought it would require a considerable amount of work to implement and manage the benefit effectively.

However, we discovered that many respondents overestimated the tasks they had to handle internally.



Our easy reporting services simplify things for HR and Finance teams - here's how we support your business:



Straightforward payroll inputs



BIK, NI and VAT calculations



Draft HMRC notifications including P46 (car) and P11D forms



Monthly savings updates to employees



Monthly company invoices



Annual sustainability reports



All accessed through an easy to use employer portal online



Additionally, our dedicated Customer Operations team provides support at every step of your salary sacrifice journey. With thousands of satisfied customers and an "Excellent - 5 stars" rating on Trustpilot, you can trust that you're in capable hands. Our experts guide you through your electric car salary sacrifice journey, starting from launch.

To learn more about how we support your business, **[click here](#)**.

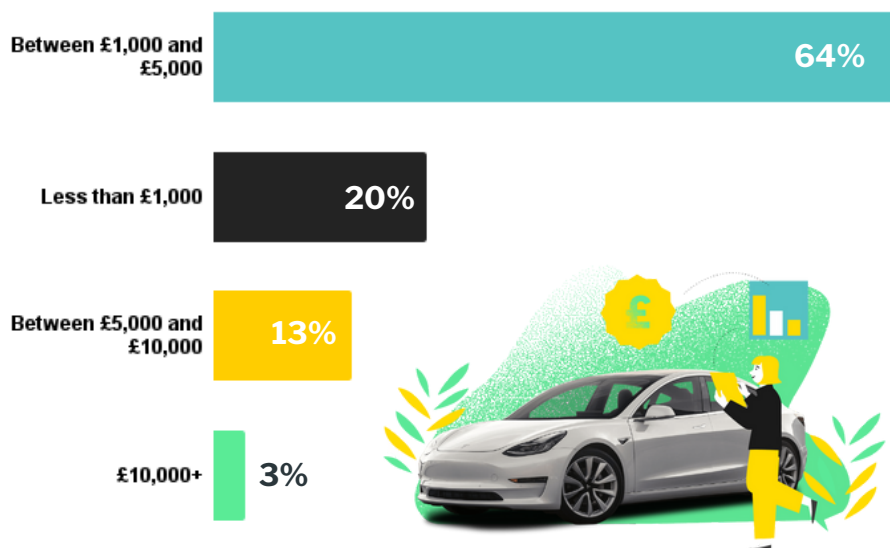
MYTH 4: COMPANIES BELIEVE THE AVERAGE COST SAVINGS AN EMPLOYEE CAN MAKE THROUGH THE SCHEME ARE LOW

97%

Our survey says:

of HR professionals believe employees would save less than £10,000 using an electric car scheme

We asked HR directors about the average amount of savings their employees stand to make by participating in an electric car scheme. Surprisingly, **only 3%** of respondents correctly identified that employees stand to save upwards of £10,000. The underestimation of the benefit is a potential blocker for adoption - if HR teams don't see the high value of electric car schemes for their employees, then they are less likely to implement one!



The Good news is, we can access the Best Prices Available ...



The Electric Car Scheme has partnered with the top leasing companies in the UK. This is to ensure that your employees get the best prices that are available.

When your employee requests a quote, we search the entire market to find the best possible deals and lead times. This means we are often 10-15% cheaper than anyone else in the space.

Through The Electric Car Scheme, your employees will be able to save 20-50% on the cost of any electric car!

As a result, your employees get to walk away saving on average £10,000.

The best prices are required to get good employee take-up from the scheme!

Browse our quote tool **here** to get a personalised quote and see how much you can save.

MYTH 5: USED CARS ARE NOT A POPULAR OPTION AMONGST EMPLOYEES

The prevalent view amongst the HR community appears to be that engagement with used EVs would be limited and employees would rather go for new models or that used EVs aren't in demand. This is understandable – historically, company car schemes (and indeed early EV schemes) were all about shiny new cars. But it may be a bit of an underestimation of employee appetite, especially as people become more price sensitive and as the supply of second-hand EVs grows.

97%

Our survey says:

of HR Directors believe less than 30% of their employees would opt for a used electric car

62%

What percentage of employees opt for a used electric car?



less than 5%

Between 5% & 15%

Between 15% and 30%

More than 30%



In reality... The Electric Car Scheme has seen 300% growth in its used car offering.

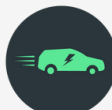
The lower price point of used EVs through salary sacrifice makes the switch to EVs much more affordable, the key to EV adoption, with 68% of Brits saying the cost is the main barrier to driving electric. Used EVs now make up around half of The Electric Car Scheme's sales, with more than 30% of employees per company opting to lease a used car!

WHY SALARY SACRIFICE A USED CAR?



More Affordable For All:

Used electric cars are significantly more affordable than a new EV. You can save 20-50% through salary sacrifice and can save hundreds each month by choosing used



Available For Quick Delivery:

Every electric car listed on our website is ready for quick delivery. Say goodbye to long lead times. You can get a car on your driveway within 14 days of the order!



Wide Range Of Used EVs:

Unlike other salary sacrifice providers who offer only a limited selection of used EVs, we have a wide selection of used cars available from across the UK.

Learn more about The Electric Car Scheme's used car offering [here](#).

MYTH 6: YOU CANNOT SALARY SACRIFICE THE COST OF EV CHARGING

Our survey shows that the HR community is of the belief that the cost savings of salary sacrifice cannot be extended towards the energy required to charge an electric car. Typically, they would be correct. Most providers cannot include EV charging within their salary sacrifice packages... until now!

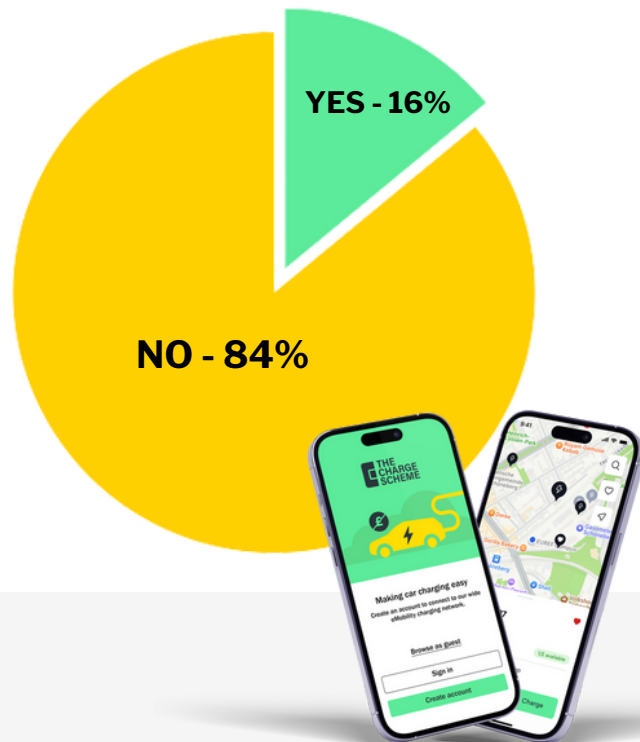
The Electric Car Scheme are the first and only salary sacrifice provider that allows your employees to save 20-50% on the cost of their charging

84%

Our survey says:

of HR Directors don't know you can salary sacrifice the cost of EV charging

Can you salary sacrifice the cost of EV charging?



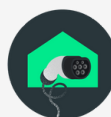
Introducing The Charge Scheme: The Cheapest Way To Charge

In addition to their electric car savings through the scheme, employees can now save 20-50% on all their charging through The Charge Scheme app and card.

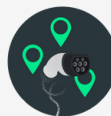
The Charge Scheme is simple to use and set up for your employees. They opt in to salary sacrifice their charging, and we provide them with our app and public charging card to record their monthly mileage.

Whether you have a driveway, live in a flat, or rely solely on public charging points to charge your electric car, The Charge Scheme has you covered.

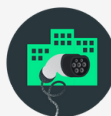
Learn more about The Charge Scheme [here](#).



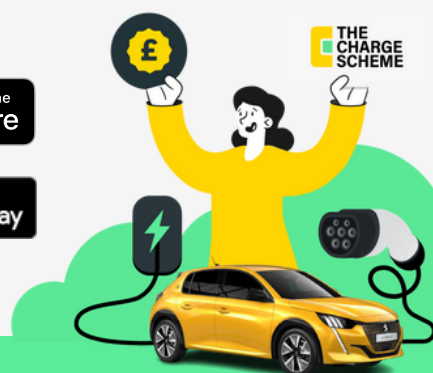
All Home charging



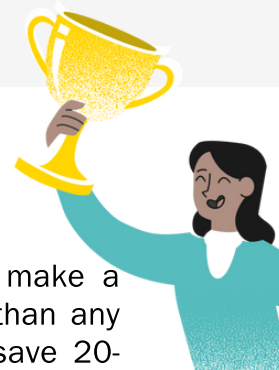
All Public charging



All Office charging



ABOUT THE ELECTRIC CAR SCHEME



Switching to an electric car is one of the most significant ways you can make a positive change towards net zero. We want to make it cheaper and easier than any other option. Salary sacrifice makes this possible, allowing employees to save 20-50% on any electric car by reducing their salary in exchange for an electric car as a benefit. This makes electric cars an affordable option for everyone.

At The Electric Car Scheme, our goal is to make net zero the obvious choice.



Every company in the UK can help their employees on their personal journey to net zero by offering The Electric Car Scheme as an employee benefit. For every business to offer electric car salary sacrifice, it has to be a 'no-brainer'. That's why The Electric Car Scheme is no cost to the employer to set up and run.

As an employer, you are protected if the car needs to be returned early. And importantly, you run the scheme with no hassle, simple set up, straight forward reporting, and 5* customer service.



You can offer a cost-neutral benefit that gives employees access to the most affordable way to switch to an electric car.

The Electric Car Scheme is here to break down barriers. By empowering others to make sustainable choices, we can speed up your efforts to tackle climate change.

By working together, we can achieve our net zero goals.



Chris Heather, TopCashback UK

"One of the concerns we had was the liability the business would incur should an employee not be able to meet their financial commitments or leave the business, potentially risking in excess of £10,000 per car.

As a result, we had decided not to progress with an electric car salary sacrifice scheme until The Electric Car Scheme told us about their risk protection offered, which was not something we had come across before. This made us feel much more comfortable that these risks were mitigated, so we were delighted to offer our staff the significant savings to help access electric cars in a more affordable way, knowing that we didn't need to worry."

Boost your benefits with The Electric Car Scheme

Sustainable choices should be obvious and affordable. That means no trade-offs. When the choice is better for your wallet and better for the environment – it's a no-brainer. You can enable everyone to make the choice to accelerate the transition to net zero.



Complete Risk Protection



No cost



Best prices available



Straightforward reporting

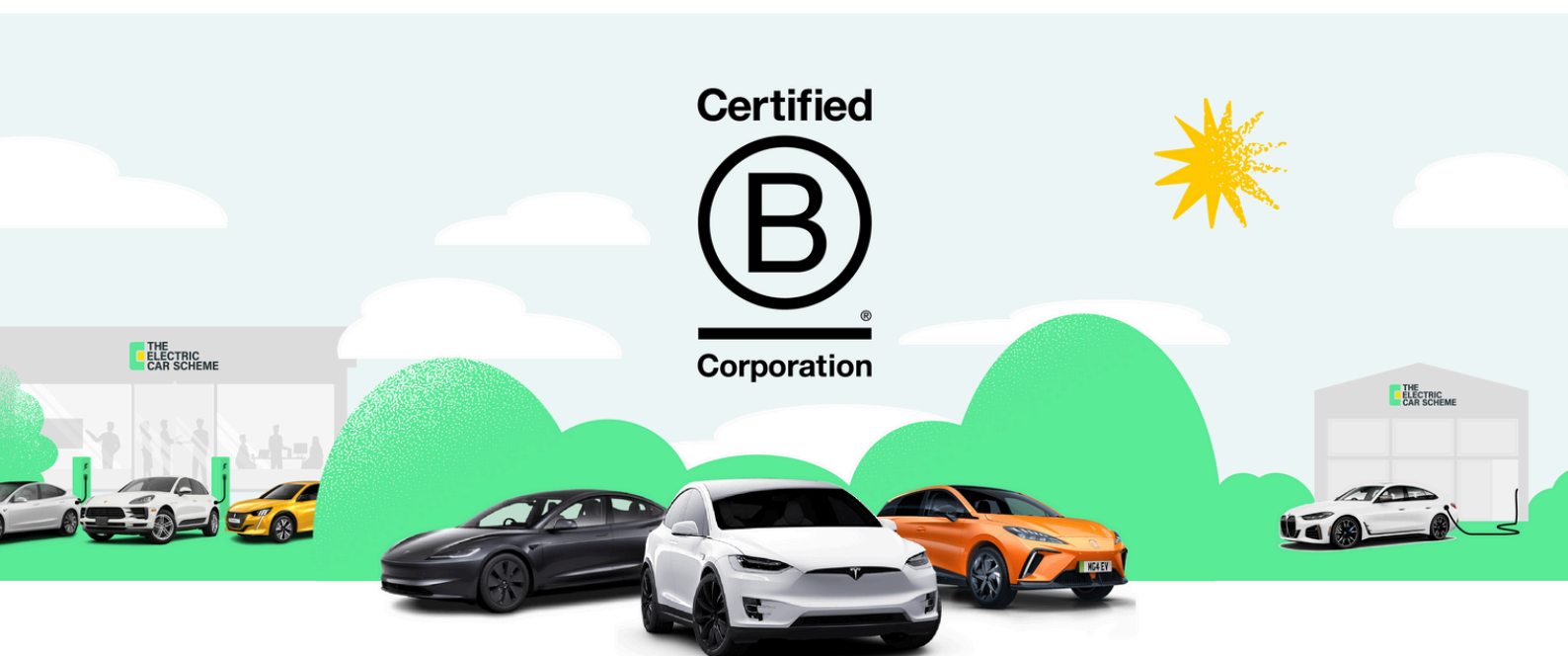


Trusted 5* service



The Cheapest Way to Charge

Learn more on www.electriccarscheme.com



HEAR MORE ABOUT THE ELECTRIC CAR SCHEME FROM OUR CUSTOMERS



Holland&Barrett

**Richard Mason,
Holland & Barrett**

“It’s great to see a large number of H&B colleagues now having access to this scheme. Reducing the carbon impact of H&B is extremely important to us all and we want to support colleagues wherever possible to reduce their own environmental impacts. This offers a win win for those looking at new car leasing, as it allows colleagues to lower their environmental impact while reducing their own motoring costs.”



Dreams

**Abi Griffin,
Dreams**

“A salary sacrifice scheme, such as the one offered by The Electric Car Scheme, is crucial for attracting, engaging, and retaining our colleagues.

In addition, they provide Complete Risk Protection. Despite an extensive market search, we found no comparable solution that offers comprehensive coverage from day one for unforeseeable circumstances beyond our control.”



O'NEILL

**Gary
Houckham,
O'Neill
Wetsuits
Limited**

“I recently leased a used Jaguar I-PACE through The Electric Car Scheme, and I couldn’t be happier with the entire experience. From start to finish, the service has been nothing short of amazing.

When the car arrived, I was impressed by the condition. Despite being a used vehicle, the Jaguar I-PACE looked almost new, and it was clear that The Electric Car Scheme takes care to ensure all their cars meet high standards before delivery.

The Electric Car Scheme truly went above and beyond to make sure I was comfortable and confident in my new car.



Glencar

**Tom Tutty,
Glencar**

“The Electric Car Scheme team’s professionalism and expertise have truly impressed us, making us feel confident in our decision to work with them.

One of the standout features of The Electric Car Scheme is the comprehensive support they provide, particularly in reporting. Managing P11Ds and other payroll deduction reports used to be a time-consuming task for us, but with their assistance, it has become much easier.”

Begin your journey to Net Zero today:

Visit

electriccarscheme.com

Or

[Book a call](#)

