

GROUP 1  
AUTOMOTIVE®

# Group 1

## Employee Car Ownership Scheme



# What is the Employee Car Ownership Scheme?

The ECO scheme enables existing eligible company drivers to own their car, with the look and feel of a company car but without the associated tax costs. Your company has recognised the ECO scheme as an opportunity to deliver cost savings for you, whilst continuing to operate within the appropriate guidance from Her Majesty's Revenue and Customs (HMRC).

## ECOS Benefits



Drive car without commercial risk



No BIK exposure risk upon vehicle resale



Protection from future tax rises



Enhanced product knowledge



Improved benefit potential



Remove restrictions of Company Car Tax

**To find out more please Register on the CBS Portal**





# Ordering Information

## How do I get my new car?

Your onsite Scheme Administrator will hold ultimate responsibility for completing formal quotations and ordering your vehicle. Once you have accepted the quotation, the order will be placed on the system at CBS. Thereafter, all contractual documentation is sent to you for signature. This must be completed BEFORE you take delivery of the vehicle.

## Do I need to get authorisation before ordering my car?

Yes. This should be sought from your Scheme Administrator who will gain authorisation for your car choice and optional equipment.

You will have to complete the eligibility form from your scheme website.

Please also read this handbook and acknowledge this in an email to your Scheme Administrator when returning your eligibility form.

## How do I get a quote for a vehicle I'm interested in?

Please speak with your Scheme Administrator at your chosen site who will have a list of available vehicles depending on current stock. Your Scheme Administrator will be able to confirm quotes and provide any further details regarding your quote.

**Please refer to the [Group 1 CBS website](#) for details of the onsite Scheme Administrators.**



## **General Information**

### **Can anyone join the scheme?**

Your available schemes and eligibility for these can be found on the Group 1 CBS website.

### **Why do I not pay Company Car Tax on the scheme?**

Under the ECO scheme the car is sold to you under the terms of a Credit Sale Agreement (CSA) with title and legal ownership of the car passing to you on date of delivery, at this point the car is no longer a Company Car and all associated tax liabilities are removed on delivery of the scheme vehicle.

### **How will the new scheme work?**

The quotation for this vehicle is processed via your appointed Scheme Administrator. Upon driver acceptance, Car Benefit Solutions (CBS) will issue the contractual documents (Credit Sale Agreement and Payroll Instruction Form as may apply) for signature. Documents for the scheme vehicle must be signed BEFORE delivery of the vehicle.

Scheme vehicles do not attract Company Car Tax but you will be required to make a contribution towards your scheme vehicle from your net pay. For the avoidance of doubt, these amounts will be instead of the Company Car Tax you previously paid and not in addition to.

## **Operational Details**

### **How will motor insurance and maintenance work?**

Your car will be insured under the Group 1 fleet insurance. will be charged at £30 per month from your monthly net pay.

### **Who will be covered under the insurance?**

These arrangements will remain the same as with your outgoing company car policy.

### **Can my scheme car be used for demonstration purposes by the business?**

Your employer may request from time to time that your car is used for demonstration purposes for which you can give your permission. If you require a temporary vehicle whilst your car is being used for demo purposes, your monthly CSA repayment includes consideration for this.

### **What are the rules around acceptable vehicle return condition?**

It is imperative that scheme vehicles are returned in a condition commensurate with their age and mileage. As such, employees intending to exercise their buyback option will be expected to arrange for the repair of any damage or replacement of any missing items prior to the end of contract. Guidance on return vehicle conditions can be found in the document "Your Guide to Fair Wear & Tear" which is available on you scheme website.



# **Financial Information**

## **What is a Credit Sale Agreement?**

A Credit Sale Agreement (CSA) is a loan agreement regulated by the Consumer Credit Act. Unlike other financing arrangements, a CSA passes title and legal ownership to you on signature date of the CSA. At this stage Group 1 is marked as register keeper.

## **Will I be credit checked when I place an order for my car?**

No, a credit reference agency check will not be carried out, however we still need to assess your credit worthiness in accordance with Financial Conduct Authority regulations. This is achieved through eligibility criteria set out by your employer and the scheme rules. Employees who are currently bankrupt or serving an Individual Voluntary Arrangement (IVA) will be excluded from participating in the scheme and will retain a traditional company car as they are unable to enter into credit agreements under the terms of their bankruptcy.

## **Will my credit rating be affected by the scheme?**

This is unlikely as the CSA is not reported to a credit reference agency. You should always declare your CSA to other credit providers should they request it and in such circumstances, upon request, employees will be supplied with a letter explaining how the ECO scheme works, their personal liabilities under the scheme and that the monthly costs are normally less than the Company Car Tax paid previously.

## **Financial Information**

### **When do I make my first repayment?**

Your first repayment will be collected from your salary the month after the car has been delivered. For example, if your car is delivered on the 10th of June, your first payment will be collected from the date you are paid in July.

### **When do I make my last repayment?**

Your last repayment on a scheme car will take place in the month the final payment is due, or in the month you return your vehicle, should you decide to do so. All repayments are for full months only, no part-month repayments will apply.



## **Contract Information**

### **How long do I keep my scheme car?**

You will keep your car for a maximum of 6 months or 10,000 miles, whichever is sooner.

### **What is the contract mileage?**

The contract mileage is 10,000 within the 6 month term.

### **What happens if I reach the contract mileage before the 6 months term is completed?**

If you believe that you will reach the contract mileage before the expiry of the 6-month term then you should contact your Scheme Administrator for advice on the options available to you.

### **What happens if my new car isn't ready by the time my contract expires?**

Your CSA features an automatic 1 month extension period should this be required. However, drivers should always endeavour to order their next vehicle in good time when considering delivery lead times.

## **Personal Information**

### **What and when should I tell HMRC about my change in circumstances?**

To avoid being overtaxed you should inform HMRC that you no longer have a company car on the day you take delivery of your initial scheme vehicle.

We suggest that the quickest way to do this is by accessing your personal tax account online. Alternatively you can do this by both by telephone and follow up with written correspondence for completeness, remembering to retain a copy for your records. Contact details for your local HMRC office should be available from your latest Notice of Coding statement. Your employer will notify HMRC that you no longer have a company car via the P46 (cars) reporting process, this may take up to four months.

### **How will fixed penalty and moving traffic fines be managed?**

Any fine levied on you will be paid for by you, and may not be reclaimed from the Company. This includes speeding fines, parking fines, and congestion charges incurred whilst not on company business. Normal parking and toll fees incurred in business use may be claimed. Please refer to the Company Expense Policy for further details.



## **Will I be required to keep mileage records?**

We strongly recommend that business mileage is recorded at all times. Claims for business mileage will follow the current claim process.

## **How do I claim for business Mileage?**

These will be paid by the Company using the normal HMRC fuel advisory rates. However, as you now own the car you are entitled to claim further business mileage relief from HMRC on the difference between the rate reimbursed by the Company and up to 45p per mile for each business journey. This further reduces the net cost to you of participating in the scheme. Full guidance on how to claim the difference will be provided to you.

## **What happens if I leave this employment?**

Should you leave this employment, either under your own volition or not, please contact your Scheme Administrator to discuss your next steps.

# How to register on the website

01

## Visit the scheme website

Please register on scheme website.

02

## Please complete boxes

Complete the your details and login details section.

### Your Details

**First Name \***

**Last Name \***

**Email Address \***


**Confirm Email Address \***

**Mobile Number \***

**Confirm Mobile Number \***

### Login Details

**Username \***

**Password \* **

**Security Question \***

**Confirm Password \***

**Security Answer \***







Group 1 Employee Car Ownership Scheme

**Help desk:** 0161 826 0000

**Email:** [help@carbenefitsolutions.co.uk](mailto:help@carbenefitsolutions.co.uk)

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