A HOW-TO GUIDE FOR EMPLOYEES

How to get an electric car through salary sacrifice.

Salary sacrifice lets you pay for an electric car from your pay before tax and National Insurance. This guide shows how the saving works, what it really costs, what to check before you sign, and how to get it at your work, even if your employer doesn't offer it yet.

WORKED EXAMPLE · YEAR ONE

£400.09 a month

from take-home pay for a new MINI Cooper Electric, against a £530.96 monthly sacrifice from gross pay. Fully insured and maintained.

Sacrificed from gross pay	£530.96
Leaves your take-home pay	£400.09

The gap is tax and NI you no longer pay, less company car tax. Full breakdown on page 3.

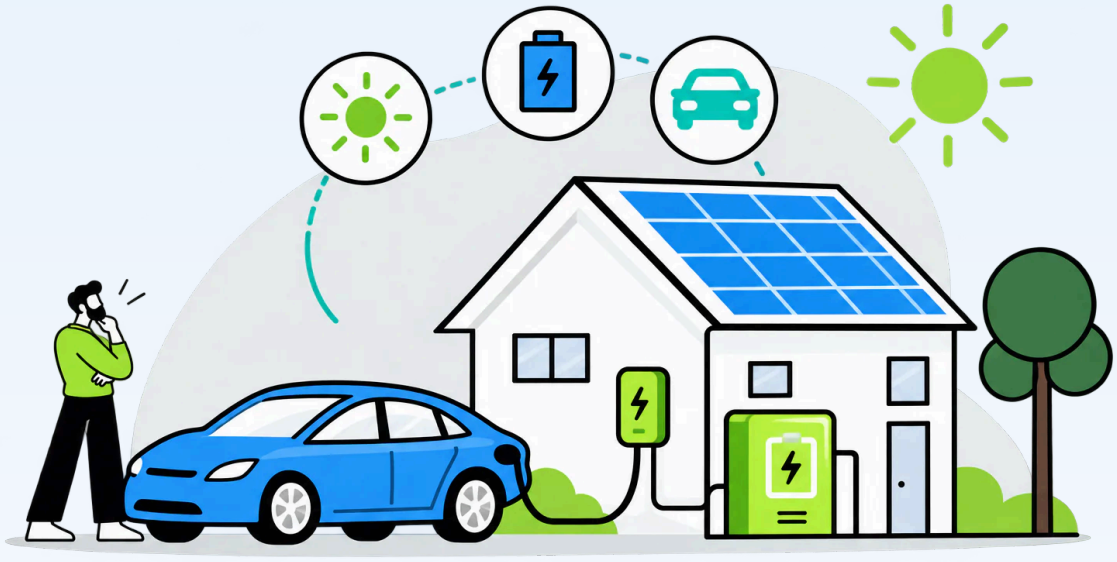
2 How salary sacrifice works

3 What it really costs, line by line

4 How to get it at your work

5 What happens if life changes

8 A page to hand to HR



Example: MINI Cooper Electric, E Classic 41 kWh, 48 months, 10,000 miles a year, employee on £50,000 in England, from quotes dated 29 October 2026. Illustrative, not a quote for you. General information, not tax or financial advice.

Salary sacrifice pays for the car before tax is worked out.

You agree with your employer to give up part of your gross pay. Your employer leases the car and you drive it as your own. Tax and National Insurance are then worked out on a lower salary, so you pay less of both.

Paying for a car yourself

Your gross pay

↓

Income tax and NI taken on all of it

↓

Car paid from what's left

Paying through salary sacrifice

Your gross pay

↓

Car paid first, from gross pay

↓

Income tax and NI taken on a lower amount

How much you save on each pound

Every £1 you sacrifice saves around **28p** if you're a basic-rate taxpayer (20% tax plus 8% NI), and around **42p** at the higher rate (40% tax plus 2% NI). Company car tax takes a little of that back.

Scottish tax rates are different, so the saving is too. Your own tax position decides the real figure, so take independent advice if you're unsure.

Why it's almost always an electric car

Because the car is a benefit, you pay company car tax on it. Electric cars pay the lowest rate: **4% of the list price in 2026/27**. Cars above 75g/km of CO_2 lose most of the tax advantage under HMRC's rules, which is why nearly all salary sacrifice cars are electric or plug-in hybrid.

What your monthly amount covers

- The car, new or pre-loved, any make or model
- Routine servicing, replacement tyres and breakdown cover
- Motor insurance if you want it, fixed for the whole term
- Life Event cover if you want it (page 5)
- A home charger, solar panels and a battery if you want them

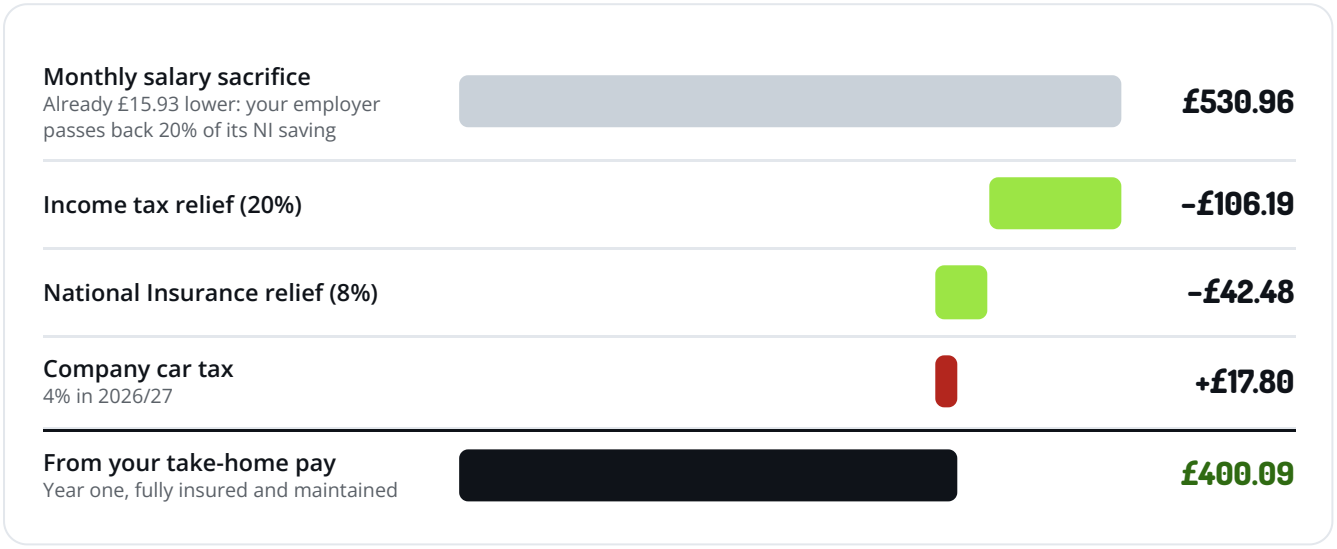
Who owns the car

The leasing company owns it for the whole term, which runs 2 to 5 years. At the end you hand it back or start a fresh agreement on a new car. There's no obligation to buy or to renew.

A £530.96 sacrifice costs you £400.09 a month.

Here is one real quote, line by line, so you can see how the monthly sacrifice becomes what actually leaves your take-home pay.

New MINI Cooper Electric, E Classic 41 kWh · 187-mile WLTP range · 48 months · 10,000 miles a year · employee on £50,000 in England



Running it, all in: about £431 a month

£400.09
Car, insured and maintained

+

£18.00
Home charger (optional)

+

£12.79
Electricity, 10,000 miles at 7p per kWh overnight

=

£431
About, every month. No upfront cost.

Company car tax rises a little each year

Under current rules it goes to 5% in 2027/28, 7% in 2028/29 and 9% in 2029/30, with 10% announced for 2030/31. Over this 48-month term the car costs **£19,685** from take-home pay, £481 more than if the rate stayed at 4%. You still get **£7,136** of tax and NI relief over the term.

£400.09	£404.54	£413.44	£422.34
Year 1 · 4%	Year 2 · 5%	Year 3 · 7%	Year 4 · 9%
	+£4.45	+£13.35	+£22.25

Monthly cost from take-home pay, and the rise against year one, assuming each agreement year lines up with a tax year.

OR GO PRE-LOVED

33% less

from take-home pay than the new equivalent, in a recent example from our pre-loved range (a 2023 Hyundai Ioniq 5).

The saving comes from the lease, not the tax: company car tax follows the car's original list price. Life Event cover is available too.

The NI passback is your employer's choice; this example includes 20%. Electricity uses the WLTP range and battery size (about 4.6 miles per kWh) with all charging at home overnight; real-world driving, winter weather and charging losses can add 10 to 30%. Insurance is priced for an example driver aged 46 in Oxfordshire with no extra drivers; yours is priced at quote. Illustrative, from quotes dated 29 October 2026. Not a quote for you.

Five steps from interested to driving.

You don't need your employer to have a scheme already. If yours doesn't, step three is where we help.

1 **Check you qualify**

You'll need to be employed and paid through your employer's payroll, hold a valid UK driving licence, and keep your pay after the sacrifice at or above the National Minimum Wage. Many employers also ask you to have passed probation.

2 **Work out your number**

Any make, any model, your tax band and term, on the **Perx calculator at calculators.covase.co.uk/perx**. You see the monthly cost after the tax and NI saving, not a headline.

3 **Ask your employer**

Tell us where you work at **perx.covase.co.uk**. We draft the email for you to send, or contact your HR, payroll or finance lead directly. Finding out costs you and your employer nothing.

4 **Your employer goes live**

Payroll integration and the employee portal are live in about 48 hours of your employer's go-ahead.

5 **Choose, sign and drive**

Pick your car, term and mileage in the portal, and add a charger, solar or a battery if you want them. The charger is typically installed with the car.

Prefer to ask HR yourself? Copy this.

Subject: Could we offer electric car salary sacrifice?

Hi [name],

I've been looking at electric car salary sacrifice. Staff lease an electric car from gross pay, so we pay less tax and NI, and the business pays less employer NI on every pound sacrificed.

Perx by Covase runs it through payroll with no setup fee, no per-employee licence and no minimum spend. Would you be open to a 15-minute call with them? Their details are at perx.covase.co.uk, or on 0345 369 7105.

Thanks,
[your name]

Page 8 of this guide is written for HR, payroll and finance. Attach it.

If life changes, the car can end or pause without a large bill.

Salary sacrifice runs for years, and a lot can happen in that time. Optional Life Event cover changes what happens to the car. It was included in the MINI example on page 3.

Redundancy, resignation, retirement or reduced hours	Early-termination costs are capped at three months' rental after the first three months. Without cover, an early-termination charge can apply when the car goes back.
Long-term sickness or losing your licence on medical grounds	The car goes back with no early-termination costs, once sickness means your pay can no longer cover the sacrifice, or if you lose your licence on medical grounds.
Parental or adoption leave	Your employer can keep the car on, with rental paused for up to 12 months once your pay can no longer cover it, or end the agreement.

Life Event cover applies to the car only, and terms depend on the funder. Qualifying periods and conditions apply, leaving during a probation period isn't covered, and full details are available on request. Separate cover is available for solar, battery and charger.

If you leave your job

The car agreement ends and the car goes back to the leasing company.

For home energy you have three options: transfer the agreement to a new employer with a compatible scheme, settle the balance and keep the equipment, or return it for a pro-rata settlement.

Motor insurance, fixed for the term

Optional cover underwritten by QBE, with the premium fixed for the whole lease term. It's included in the car cost, not a separate deduction, and covers up to two extra drivers at the same address.

Your premium is priced at quote, because it depends on who drives and where the car is kept.

Want the full terms for your situation?

Call **0345 369 7105** or WhatsApp **07441 923775**, and we'll take you through the cover for your circumstances.

Add a charger, solar and a battery to the same payslip.

Most schemes stop at the car. Perx puts the car, the charger, the solar and the battery on one line of your payslip. It's the only UK salary sacrifice scheme we're aware of that covers all four. Take the car on its own, or add any of the others.

Electric car

Any make, any model, new or pre-loved, on terms from two to five years.

Home charger

Typically installed with the car, unless you already have one. Needs off-street parking.

Solar panels

Through Perx Energy, with or without a car. Agreements up to seven years.

Home battery

Through Perx Energy, on the same payslip as everything else.

How solar and a battery help

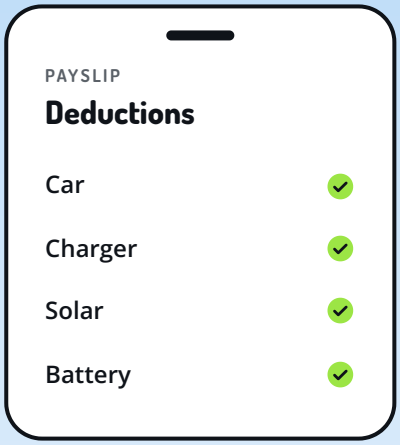
Solar panels make electricity during the day. A battery stores it, or cheap overnight electricity, so the house and the car use less from the grid at peak rates.

How home energy is taxed

Home energy is provided through Perx Energy by Heva Energy. How tax applies to it depends on how it's set up, so your quote shows the real monthly figure before you commit.

What your home needs

A suitable roof and space for solar and a battery. That's checked before anything is fitted.



One line on your payslip

Already have a car scheme at work? Perx Energy doesn't depend on who supplies the car, so it can run alongside it.

Thinking about solar or a battery? Tell us at **perx.covase.co.uk** and we'll take you through it, with no obligation.

Ask these five questions before you sign anything.

They apply to any salary sacrifice scheme, ours included. Good answers are specific and in pounds.

1. **Is insurance included, and is the premium fixed for the whole term?**
   A premium that's repriced every year can take away part of the saving.

2. **What happens if I leave, fall ill or go on parental leave?**
   Ask for the early-termination charge in pounds, and whether Life Event cover is available.

3. **What will company car tax be in each year of my term?**
   Rates are published to 2030/31, so match your term to the years you can see.

4. **Does my employer pass back any of its NI saving?**
   Any passback lowers your monthly sacrifice. It's the employer's choice, so ask.

5. **What mileage is included, and what does each extra mile cost?**
   From April 2028 electric cars are also due a pay-per-mile road charge (3p a mile announced), so ask how it will be handled on your agreement.

And check this with your HR team

A lower gross salary can affect things worked out from it, such as some pension contributions, life cover, statutory maternity, paternity or adoption pay, and mortgage applications. Ask how your employer handles each one before you sign.

Ready to see your number?

Any make, any model, your tax band and term, at **calculators.covase.co.uk/perx**.

HAND THIS PAGE TO YOUR HR, PAYROLL OR FINANCE LEAD

Perx costs the business nothing to set up, and cuts your employer NI.

Perx lets your staff lease an electric car, and add home energy if they want it, from gross pay. Every pound they sacrifice is a pound you don't pay 15% employer NI on.

£0
Setup fee, per-employee licence or minimum spend.

15p
Employer NI saved on every £1 an employee sacrifices.

£765
A year kept per driver in our MINI example, after passing back 20% of a £956 saving.

48 hrs
From your go-ahead to payroll integration and the employee portal going live.

Already have a car scheme?

Perx runs alongside an existing provider on one payslip, and employees can take one, the other, or both. Employers already committed elsewhere on the car often start with Perx Energy, which doesn't depend on who supplies the car.

Who runs it

Covase arranges Perx and has managed UK fleets since 2003.

BVRLA member #2181 · MAFP certified · DVLA ADD partner · Cyber Essentials certified

Next step: a 15-minute call

We'll follow it with a one-page plan of likely take-up and the NI saving at your headcount.

Request it at perx.covase.co.uk or call 0345 369 7105.

CALL
0345 369 7105
UK office hours

WHATSAPP
07441 923775
Message the team

EMAIL
hello@covase.co.uk
perx.covase.co.uk

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