

APPENDIX B

CAR PARKING PERMIT SALARY SACRIFICE SCHEME INFORMATION

1.0 Car parking permit

Peterborough City Council Car Parking Permit Salary Sacrifice Scheme is a benefit that enables car drivers to make substantial savings against the cost of their car parking permit.

By opting to take part of your salary as a car parking permit (this is known as 'salary sacrifice'), you can take advantage of tax and National Insurance (NI) savings.

What is Salary Sacrifice?

Salary sacrifice means exchanging part of your salary for a non-cash benefit – in this case a car parking permit for use in specific city council car parks whilst the employee is at work.

2.0 Savings

How much can I save?

The exact amount saved will depend on your individual circumstances, i.e. whether you are a basic rate or higher rate tax payer.

3.0 Joining the Scheme

If you decide you would like to take part of your salary as a car parking permit you will need to complete the Salary Sacrifice Application and Agreement form (available on InSite) and return to Business Support.

This form confirms that you have agreed with your employer to take part of your salary as a car parking permit and that your monthly gross salary will be reduced by the annual cost of the permit divided by twelve.

4.0 A change in your circumstances or leaving the scheme

To comply with HMRC regulations employees must intend to commit to be in the scheme for a minimum of 12 months. During this time you cannot vary the amount paid or leave the scheme unless as the result of a significant change in personal circumstances (major 'lifestyle change'). Lifestyle changes may include:

- a change to working hours or location
- leaving the organisation
- significant changes in personal circumstances
- significant changes to employment i.e. change of role
- long term illness
- changes to financial circumstances that mean a car parking permit is no longer required

What happens if I am made redundant?

It is the policy of Peterborough City Council to make any redundancy payment in accordance with the Managing Change policy using the actual salary. The salary sacrifice amount will not be taken off the actual gross amount.

What happens if I go on maternity leave?

Statutory Maternity Pay is calculated on the salary earned in the 8 weeks prior to maternity leave, if a salary sacrifice car parking permit is in place during this period, this would not be considered part of salary, hence lowering the maternity pay that you may be eligible for. Employees participating in the scheme who become pregnant and ultimately due to take maternity leave are advised to contact HMRC for advice on whether to opt out of the salary sacrifice scheme or not. The following is a summary of either continuing with salary sacrifice or terminating the agreement:-

| | As the employee, if you continue your salary sacrifice arrangement | | As the employee, if you terminate your salary sacrifice arrangement | |
|--|---|--|--|--|
| | The value of your SMP will be lower than it would be if no salary sacrifice arrangement was in place. | | The value of your SMP will be greater than if you continue your salary sacrifice. | |
| | The value of your OMP will be lower than it would be if no salary sacrifice arrangement was in place – as your salary is reduced by the salary sacrifice. | | The value of your OMP will be greater than if you continue your salary sacrifice – as your salary will no longer be reduced. | |
| | You will continue to have use of your car parking permit throughout the period of maternity leave for days you would have been at work. | | You will not have the use of your car parking permit throughout the period of the maternity leave. | |

If you start maternity leave without a car parking permit benefit in place, you may enter into a salary sacrifice agreement during a maternity leave period but you will not receive the revised salary or benefit until you return to work.

How do I notify a change in circumstances/leave the scheme?

You will need to complete an 'Amendment/Request for Change in Membership' form (available on InSite) a month before the month in which you wish the alteration to take effect. This should be returned to HR Support, Peterborough City Council, Manor Drive, Paston Parkway, Peterborough, PE4 7AJ.

If you leave the scheme you will not be able to re-join for a period of 6 calendar months from the termination date.

5.0 Car parking permit and other benefits

Joining a salary sacrifice scheme to receive a car parking permit reduces your cash pay and the level of income tax and National Insurance Contributions (NICs). As your entitlement to some statutory benefits (such as Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay and State Pension) is based on the amount you earn and your NICs, your current or future entitlement to contributions-based, earnings-related or income-related benefits may be affected. Tax credits are potentially affected by this scheme.

Pension contributions are calculated on gross salary prior to the deduction of salary sacrifice and will therefore not be affected.

For more information about salary sacrifice and how it may affect your benefits visit www.hmrc.gov.uk/specialist/salary_sacrifice.htm or contact HMRC directly.

Other considerations

With the exception of maternity pay (see above) during a Salary Sacrifice Agreement, a car parking permit can only be in place in a pay period where sufficient qualifying salary is available.

Qualifying salary is pay which is due to you above the National Minimum Wage and the Lower Earnings Limit. Qualifying salary excludes any pay due to you in respect of statutory benefits.

A salary sacrifice must not reduce your cash pay below the National Minimum Wage or the lower earnings limit.

6.0 Further information/contact details

If you require further information contact Business Support at Manor Drive
HRSupport@peterborough.gov.uk

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