



Engagement Programme

Win-win for employer and employee

Attracting new talent and retaining good employees is something every company is making a priority, because a talented workforce is still the most important asset of any business.

Now more than ever, a company's image is a key factor in the employment market. Attracting and retaining talent is a real battle, especially in professions where there are labour shortages.

Despite the ever-growing volume of traffic on the roads and the resulting social debate, market research carried out by LeasePlan shows that the personal car remains the most popular means of transport for all generations. It is therefore hardly surprising that more and more companies are offering a lease car as part of a so-called 'cafeteria plan'.

But how can you do this without having to plunder your salary budget? And can you offer it to every employee? In this white paper, we provide you with information about setting up a 'cash for car' programme and give you a few useful tips.

MOBILITY PLAN

As part of the concept of flexible working conditions, employers are increasingly tailoring their remuneration packages to the wishes of each individual employee. Freedom of choice is the guiding principle in this. One example of this evolution towards free use of the salary budget is providing a lease car in exchange for a lower salary.

In such cases, we speak of a Mobility Plan, because when you as an employer consider offering a car in exchange for gross salary, you are also required to offer other modes of transport, such as a rail season ticket, a bicycle, etc.

The introduction of a Mobility Plan requires thorough preparation and usually involves various parties, such as the leasing company, the payroll service provider, etc. The company's Works Council is also often involved in the introduction of a Mobility Plan, especially in sectors with a strong trade union representation.

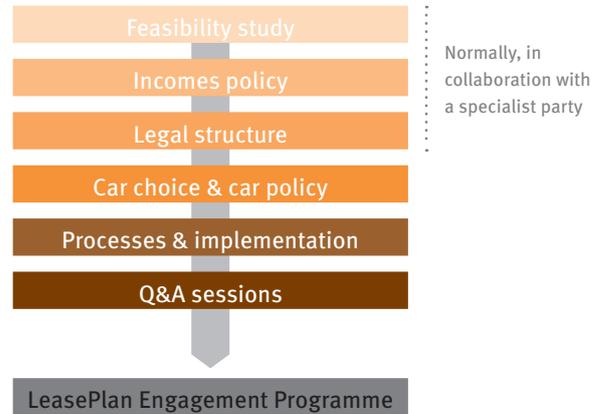
The benefits of a Mobility Plan

1. Greater appeal as an employer
2. Increased employee motivation
3. Improved retention rate of talented employees in your company
4. Carefree driving for your employees
5. Positive impact on the environment
6. More cars in your fleet does not necessarily mean a greater workload: Fleet Outsourcing could provide a solution (outsourcing your fleet management to LeasePlan)

What follows are a number of important points relating to the introduction of a Mobility Plan.

1. FEASIBILITY STUDY

A feasibility study is usually conducted by a payroll service provider and examines whether there are sufficient 'benefits' available to exchange for a lease car. It is not possible, for example, to exchange more than 10% of the total remuneration package (salary + 13th month + non-statutory benefits) and the salary may never be lower than 80% of the sector salary scales.



In order to assess this, a simulation of the impact on gross salary is carried out. Based on one or more lease quotes, the cost of the lease for the employer is calculated, taking into account non-recoverable VAT, CO₂ contributions and non-deductible expenses on the benefit in kind. The employer's costs are then converted to a reduction in gross salary.

2. REDEFINING THE INCOMES POLICY

The next step can only be taken if the feasibility study has a positive outcome. Since it is not possible to reduce salaries without due reason, the pay package must be restructured. This means that a new basic salary is established on the basis of all the 'benefits', with, in addition, a 'mobility budget' that the employee can spend on a car and/or one or more other mobility solutions, such as a rail season ticket.

3. LEGAL STRUCTURE

A salary may not be reduced without due reason. Having a legal structure in place will preclude any discussions with the tax authorities, the National Social Security Office and social legislation. All employees participating in the Mobility Plan confirm their choice by signing an addendum to their employment contract.

4. CAR POLICY

Offering a lease car to a new group of employees also implies that clear agreements have been drawn up on its use. It is best to include these in a separate car policy or in a separate annex to the existing car policy, due to the risk of possible discussions arising from the equation with the other company cars used more as an employment instrument.



When drawing up the car policy, think carefully about possible situations that might arise:

- A different working arrangement, e.g. a change from full-time to part-time employment
- Long-term illness of the employee
- The taking up of time credit (unremunerated time)
- Promotion to a position with company car
- The departure of the employee before the lease contract has ended
- Additional costs that will be charged to the employee

It is advisable to have employees sign the car policy before the lease car is ordered.

5. INFORMATION FOR YOUR EMPLOYEES

When considering offering a lease car in exchange for a reduction in gross salary, it is essential that you fully inform your employees about the implications. It is important that they realise that a reduction in gross salary will also impact on such things as pension accrual, unemployment benefit, group insurance, pay rises, etc.

Since this is very much dependent on each employee's personal situation, many companies choose to calculate the net impact for each individual employee interested in the scheme.

To conclude, here are a few tips:

CHOICE OF CAR

- Decide on a fixed range of cars: a fixed range of cars with a set configuration will simplify the process and provide the possibility of reallocating a car to another employee
- Limit the number of car makes: limiting the number of makes will make it possible to negotiate better discounts

CAR POLICY

Come to clear agreements covering:

- The departure of the employee before the end of the lease contract
- Long-term illness
- Payment of more or fewer kilometres driven
- Additional costs for the employee (fines, excess in the event of a claim, etc.)

COMMUNICATION

Keep your employees informed as much as possible using various channels:

- Intranet
- Presentations
- Individual sessions
- Viewing days in collaboration with the leasing company or dealer



LEASEPLAN CONSULTANCY SERVICES WILL GUIDE YOU THROUGH THE PROCESS

Boosting employee loyalty does not have to mean making a substantial investment. LeasePlan Consultancy Services will be happy to advise you on every step of the implementation process.



EMPLOYEE

- Considerable cost saving
- Well equipped car
- Extensive services package
- Lower impact on environment
- Drive a new car every 2/3 years



EMPLOYER

- Higher attractiveness as an employer
- Increased motivation among employees
- Improved retention rate
- Cheaper than salary raise
- More cars in your fleet does not necessarily mean a greater workload: Fleet Outsourcing

WOULD YOU LIKE TO FIND OUT MORE?

Feel free to get in touch with your designated contact at LeasePlan for more detailed information and advice.

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