



Co-op Grade-Related Car Policy

Here at the Co-op, we offer cars to colleagues in certain grades. Just so it's clear, these cars, or the cash equivalent, are a contractual benefit associated with your role.

Crucial bits

If you're given a grade-related car, it's important that you also follow the [Co-op Driving Policy](#) and the Vehicle Users' Handbook which you'll get with your car.

Eligibility

If your role is Grade C or above you'll be eligible for a car or the equivalent grade cash allowance.

If you change your job at the Co-op, for whatever reason, but are still a Grade C or above you'll keep your car until the lease expires. If your new role is below Grade C then you'll no longer be eligible for a grade-related car or cash from the date you change jobs.

Types of car

The cars available will depend on your grade. We try to offer a wide choice but we may change the range available from time to time. We also offer cars that support our commitment to reducing our CO2 emissions.

You can get tow bars, roof racks/boxes and bike racks fitted, but you'll need to pay for this - and you'll need to get agreement from Group Transport before you do it.

We'll usually be able to give you a choice of car, but sometimes we might need to give you a car that's already been leased, until the lease expires.

Trading up/down

You can choose to 'trade up' and pick a car from the range offered one grade above yours. You can also 'trade down', by one grade or more. If you're trading up or down you'll either pay or get a contribution each pay period as soon in the table below:

Grade A	<->	Grade B	<->	Grade C	->
Per period	£280		£280		£150

You'll pay or get the contribution for the duration of the vehicle allocation. Just so it's clear, if you get a 'trade down' contribution, this isn't a salary payment. It isn't pensionable and we won't take it into account at salary reviews or for bonus purposes. If you leave the Co-op, for any reason, or you stop being eligible for a grade-related car, your 'trade down' payment will stop on your last day in the role. If this doesn't happen then tell your manager as soon as possible, as you'll have to repay any amount you've been overpaid.

If you choose to 'trade up', the amount that you'll pay is fixed and just relates to the grade the car applies to and isn't based on specific lease costs. The trade up payment is simply an additional contribution you need to pay towards the private use of the car. 'Trade up' payments for private use are calculated as a deduction from your net pay each pay period. You'll need to sign a form to consent to us making deductions from your salary.

If you leave the Co-op, for reasons other than redundancy or ill-health, before the end of the lease, you'll need to pay the outstanding 'trade up' contributions until the end of the lease period. This will be done via payroll deductions.

Cash allowance

You can choose to take a cash allowance instead of a car - either when you first get offered a car or when your lease ends. You can't switch from car to cash during the lease.

If you take the cash allowance then want a car instead, speak to [Group Transport](#). Just so you know, it's likely that we'll give you a car which has time left on its lease. You'll still keep the allowance if you're waiting for a car, which will be pro-rata for any part months.

The cash allowance is paid per period as the table below. This will be pro-rated if you work part-time.

Grade A	Grade B	Grade C
£1,000	£769	£538

Just so it's clear, the cash allowance isn't a salary payment. It isn't pensionable and we won't take it into account at salary reviews or for bonus purposes. You'll have to pay the normal tax deductions on your allowance, which we'll do via payroll. If you leave the Co-op, for any reason, your cash allowance will stop on your last day.

If you take the cash allowance and plan to use your own car to drive on business, we'll ask you to confirm that your car is fit for business use and give evidence that you've got appropriate business use insurance before you can drive on business. If you use your own car for business journeys, you can claim expenses at the rate for Co-op car users. We've put the rates on the [Intranet](#).

Business miles and fuel

You'll be able to claim for the business miles you drive through expenses – remember to attach a VAT receipt. We've put the mileage rates, including those for electric vehicles, on the [Intranet](#). Just so you know, if you claim for a higher rate than you're entitled and this is paid, then we'll reclaim any excess amount via payroll deductions.

You can use your car for personal use, but you can't claim expenses for private miles. You also can't claim for miles between your home and work. There's more information in the [Business Travel and Expenses Policy](#).

Insurance cover and driver risk management

All Co-op cars have fully comprehensive insurance cover, as long as you've been authorised to use the car. You're also insured to carry passengers, for both business and personal journeys.

You and your partner, who needs to live at the same address as you, can use your car. You both need to fill-in the Driver Risk Mandate and this needs to be authorised before you can drive the car. There's more information in the [Driving Policy](#).

Damage

If your car is damaged, no matter how minor the damage or how it was caused, you must report it as soon as you can after the incident. This is so we can make any repairs. Your Vehicle Users' Handbook has details on how to report damage.

If you don't report damage but we find it when you return the car, we might charge you a fee towards the repair costs. If you don't report damage we may also investigate under the relevant Disciplinary/Misconduct Procedure.

We want to encourage colleagues to drive safely and responsibly. So, if repeat and excessive damage is being caused to your car and we can't recover the full costs from a third party, we'll investigate this and you might be charged a fee towards the repair costs.

Tax

If you've got a Co-op car, you'll need to pay tax on this as a benefit in kind. We'll report this to HMRC in a form P11D in July each year. We'll make this available to you in June to review before we send them to HMRC – either online or by post.

You need to tell HMRC when you first get a car and if you change cars. You can call HMRC on 0300 200 3300. You'll need some information to hand;

- Group PAYE reference: 961/ 8200772
- Your National Insurance number

- Car make and model
- List price of car (this will be on the letter sent to you from Group Transport)
- Date you got the car

If you don't call HMRC when you get or change your car, your tax code will only change when the P11D is sent the following July, but of course you'll still need to pay tax from the date you get the car.

If you want more information about how car benefits are calculated for tax purposes, see www.gov.uk/tax-company-benefits/tax-on-company-cars

Things to think about

Buying your car

If you leave the Co-op before your lease expires, then you might be able to buy your car, but we can't guarantee this. The purchase price will usually reflect the car's market value. If we're charged for ending the lease early, then we'll pass this cost to you in addition to the purchase price. If you want to buy your car, speak to Group Transport.

If you need further support

If you have questions about cars, speak to your manager. If managers need advice they can contact [ER Services](#) (for questions about the application of this policy) or [Group Transport](#) (for questions about cars).