

02 Does it reach the people you need in the office?

5 POINTS

- ☐ Every scheme ticked "Offered" is open to all staff – no grade, seniority or service bar.
- ☐ Provision works for car-dependent and rural staff, not only rail-served or city-centre staff.
- ☐ Provision works for part-time, shift and hourly-paid staff – the same daily commuting cost, on lower daily pay.
- ☐ You know who the minimum wage floor blocks from salary sacrifice, and you offer them an alternative.
- ☐ Take-up is tracked by site, not only as a company-wide average.

03 The Finance view

6 POINTS

SCHEME	PAYROLL MECHANISM	EMPLOYER NI EFFECT	TAX / BIK / REPORTING	CUTS NMW PAY?	ADMIN
Cycle to work	Salary sacrifice – gross pay	Reduces: 15% of the amount sacrificed	Exempt during hire if scheme conditions are met. Buying the bike at the end below market value is taxable (EIM21667)	Yes	Medium
EV car scheme	Salary sacrifice – gross pay	Reduces: 15% of the amount sacrificed, less Class 1A at 15% on the car's BIK	BIK 3% of list price (0g/km, 2025/26; 4% from April 2026). P11D or payrolled; mandatory payrolling of benefits due from April 2027	Yes	High
Season ticket loan	Interest-free loan, repaid from net pay	None – no tax or NI saving on the fare	Interest-free benefit exempt while total loans stay under £10,000 all tax year	No	Low
Workplace parking	Employer provides or pays (not via salary sacrifice – OpRA applies)	None	Exempt at or near the workplace (ITEPA s.237)	–	Low
Commuting allowance or subsidy	Payroll payment – taxable pay	Increases: employer Class 1 at 15% on the full amount	None – taxed through PAYE, Class 1 on both sides	–	Low
Fuel scheme, retail and travel discounts	Net-pay deduction (reward bundle)	None – the saving is the discount	None	No	Low

Loan repayments and voluntary deductions for the employee's own purchases don't reduce minimum wage pay; salary sacrifice does. **Model separately:** cycle and EV sacrifice save employer NI (EV net of Class 1A); fuel and retail discounts save the employee the discount only.

- ☐ You can state, scheme by scheme, whether it is a gross-pay sacrifice or a net-pay deduction.
- ☐ NI savings are modelled on participation: eligible headcount × average sacrifice × participation × 15%, less Class 1A on any BIK and admin cost.
- ☐ Minimum wage checks run every pay period for everyone in a salary sacrifice arrangement, across all sacrifices combined.
- ☐ BIK, P11D and payrolling obligations for each scheme have a named owner.
- ☐ Admin cost per scheme is known and set against the NI saving or retention effect it produces.
- ☐ Sacrifice agreements and disclosures, including the effect on SMP, would survive an HMRC review.

04 The literacy check 5 POINTS

Can employees find, price and understand each scheme?

- ☐ Every commuter benefit is explained at onboarding, not just listed in a handbook.
- ☐ Provision was re-explained when the attendance policy changed.
- ☐ The commute is modelled for the employee personally – their route, their office days, their net pay.
- ☐ Employees can see every scheme and act on it in one place, without chasing HR.
- ☐ You know why the scheme with the lowest take-up is low.

RATES USED

NI	Employer Class 1 15% above the £5,000 secondary threshold · Class 1A 15% · employee 8% from £12,570 to £50,270, 2% above
Income tax (rest of UK)	20% basic, 40% higher. Scottish rates differ
Mileage (AMAP)	45p a mile for the first 10,000 business miles, 25p after. For NI, 45p applies to every business mile
EV company car BIK	3% of list price (0g/km)
Beneficial loans	Exempt while an employee's loans stay under £10,000 all tax year
Payrolling benefits	Mandatory payrolling of benefits in kind announced for April 2027

05 Your result

Total your ticks from sections 02 to 04.

02 ____/5 03 ____/6 04 ____/5 **Total ____/16**

0–6 Your provision is unlikely to offset the cost of attending. Next: price the commute for three real profiles – rail, car, and part-time or shift – against what you offset now.

7–11 Provision exists; reach and literacy are uneven. Next: find who is missed – often car-dependent sites, shift and part-time staff, and anyone blocked by the minimum wage floor. Close that gap before adding a scheme.

12–16 Provision, reach and communication are aligned. Keep them aligned. Next: publish take-up by scheme and site quarterly, re-brief at each attendance policy change, and re-model NI yearly on actual participation.

NEXT STEP

See every scheme *in one view*

Perky's real-time payroll reporting shows what each scheme costs, and Total Reward Statements show each employee what their benefits are worth. Book a walkthrough.

perkybenefits.co.uk/book-a-demo

Sources: DfT National Travel Survey 2024 (27 August 2025); HMRC mileage rates (2025/26); DfT, First rail freeze in 30 years (23 November 2025); Budget 2025 (26 November 2025); GOV.UK loans provided to employees; ITEPA 2003 s.237; HMRC EIM21667; HMRC company car appropriate percentages.