

Fleet Fundamentals 2012

A quick reference guide
to the fundamentals of
your fleet



Key Solutions
Thought Leadership



GE imagination at work

The lower your CO₂ emissions the less you and your driver will pay in Tax.

With cost and environmental considerations high on the Government agenda, this essential guide to the fundamentals of your fleet provides the latest key fiscal changes announced in the March 2012 Budget from Benefit-in-Kind taxation to the latest capital allowance thresholds.

Benefit-in-Kind Taxation (BIK)

Benefit in Kind CO ₂ Bands by Tax Year					
CO ₂ Emissions g/km	2012/13	2013/13	2014/15	2015/16	2016/17
Zero Emissions	0%	0%	0%	13%	15%
1 to 75	5%	5%	5%	13%	15%
76 to 94	10%	10%	11%	13%	15%
95 to 99	10%	11%	12%	14%	16%
100 to 104	11%	12%	13%	15%	17%
105 to 109	12%	13%	14%	16%	18%
110 to 114	13%	14%	15%	17%	19%
115 to 119	14%	15%	16%	18%	20%
120	15%	16%	17%	19%	21%
121 to 124	15%	16%	17%	19%	21%
125 to 129	16%	17%	18%	20%	22%
130 to 134	17%	18%	19%	21%	23%
135 to 139	18%	19%	20%	22%	24%
140 to 144	19%	20%	21%	23%	25%
145 to 149	20%	21%	22%	24%	26%
150 to 154	21%	22%	23%	25%	27%
155 to 159	22%	23%	24%	26%	28%
160 to 164	23%	24%	25%	27%	29%
165 to 169	24%	25%	26%	28%	30%
170 to 174	25%	26%	27%	29%	31%
175 to 179	26%	27%	28%	30%	32%
180 to 184	27%	28%	29%	31%	33%
185 to 189	28%	29%	30%	32%	34%
190 to 194	29%	30%	31%	33%	35%
195 to 199	30%	31%	32%	34%	36%
200 to 204	31%	32%	33%	35%	37%
205 to 209	32%	33%	34%	36%	37%
210 to 214	33%	34%	35%	37%	37%
215 to 219	34%	35%	35%	37%	37%
220 to 224	35%	35%	35%	37%	37%
225 to 229	35%	35%	35%	37%	37%
230 to 234	35%	35%	35%	37%	37%
235 and above	35%	35%	35%	37%	37%

The 35% BIK cap is increased to 37% from April 2015

There is a 3% supplement applied to all Diesel cars. This 3% Diesel surcharge is removed from April 2016

Cars (BIK)

Where a car is made available for an employee's private use, a taxable benefit arises under sections 114 and 120 Income Tax (Earnings and Pensions) Act 2003 (ITEPA). Company car tax was reformed in April 2002 and is now calculated by applying the appropriate percentage to the list price of the car. The appropriate percentage is related to the CO₂ emissions of the car and ranges from 0% - 35% (37% in 2015). Up to April 2016, diesel cars attract a **3%** supplement on petrol percentages (capped at 35%/37%).

Company Vans (BIK)

If you make a van available to your employees and they use it privately, your employees have to pay tax on this as a benefit. The scale charge is **£3000**.

If fuel is provided for private use, there is a fuel benefit flat rate charge of **£550**.

Electric vans have a **0%** BIK up to March 2015.

Vehicle Excise Duty

Vehicle Excise Duty for Cars registered on or after 1 March 2001

VED band	CO ₂ emissions (g/km)	Standard rate 2011-12	Standard rate 2012-13
A	Up to 100	£0	£0
B	101-110	£20	£20
C	111-120	£30	£30
D	121-130	£95	£100
E	131-140	£115	£120
F	141-150	£130	£135
G	151-165	£165	£170
H	166-175	£190	£195
I	176-185	£210	£215
J	186-200	£245	£250
K	201-225	£260	£270
L	226-255	£445	£460
M	Over 255	£460	£475

Vehicle Excise Duty for brand new Cars: 2012-13 first-year rates

VED band	CO ₂ emissions (g/km)	2011-12	Alternative Fuels 2011-12	2012-13	Alternative Fuels 2012-13
A	Up to 100	£0	£0	£0	£0
B	101-110	£0	£0	£0	£0
C	111-120	£0	£0	£0	£0
D	121-130	£0	£0	£0	£0
E	131-140	£115	£105	£120	£110
F	141-150	£130	£120	£135	£125
G	151-165	£165	£155	£170	£160
H	166-175	£265	£255	£275	£265
I	176-185	£315	£305	£325	£315
J	186-200	£445	£435	£460	£450
K	201-225	£580	£570	£600	£590
L	226-255	£790	£780	£815	£805
M	Over 255	£1,000	£990	£1,030	£1,020

Alternative Fuel discount: 2010/11 onwards £10 for all cars
Includes cars emitting over 225g/km registered before 23 March 2006

Vans (VED)

Vehicle Excise Duty rates for vans registered on or after 1 March 2001		
Engine Size	2011-12	2012-13
1549cc & below	£130	£135
Above 1549cc	£215	£220

Advisory Fuel Rates (AFR)

AFR's may apply where an employer reimburses an employee for business travel in their company car or requires an employee to repay the cost of fuel for private travel.

The AFR rates are reviewed quarterly at the beginning of December, March, June and September.

1st June 2012				
Engine	Petrol	LPG	Engine	Diesel
1400cc or Less	15p	11p	1600cc or Less	12p
1401cc to 2000cc	18p	13p	1601cc to 2000cc	15p
Over 2000cc	26p	19p	Over 2000cc	18p

(ppm = Pence Per Mile)

Approved Mileage Allowance Payment (AMAP)

The AMAP rates apply where employees use their own cars for business travel and equate to the maximum amount an employee can receive without paying tax.

Vehicle Type	Business Miles	From 6th April 2011
Car or van	first 10,000	45p
Car or van	after 10,000	25p
Motor cycle	all	24p
Cycle	all	20p

VAT Fuel Scale Charge

Where employees receive a private fuel benefit, the employer will be subject to a VAT fuel scale charge.

CO ₂ Emissions	From 01/05/2012	VAT on 12mth Charge
120 or less	£665.00	£110.83
125	£1,000.00	£166.67
130	£1,065.00	£177.50
135	£1,135.00	£189.17
140	£1,200.00	£200.00
145	£1,270.00	£211.67
150	£1,335.00	£222.50
155	£1,400.00	£233.33
160	£1,470.00	£245.00
165	£1,535.00	£255.83
170	£1,600.00	£266.67
175	£1,670.00	£278.33
180	£1,735.00	£289.17
185	£1,800.00	£300.00
190	£1,870.00	£311.67
195	£1,935.00	£322.50
200	£2,000.00	£333.33
205	£2,070.00	£345.00
210	£2,135.00	£355.83
215	£2,200.00	£366.67
220	£2,270.00	£378.33
225 or more	£2,335.00	£389.17

Private Fuel

An additional taxable benefit arises if the employee receives free fuel for the company car for their private use. The fuel benefit charge has been calculated by applying the company car tax appropriate percentage to a set figure known as a multiplier for the tax year 2012/13, the multiplier is **£20,200**.

Tax Year	Private Fuel Multiplier
2009/10	£16,900
2010/11	£18,000
2011/12	£18,800
2012/13	£20,200

For example; the percentage used to calculate the company car tax charge for a diesel car that has CO₂ emissions of 145g/km, would be 23% for 2012/13.

The fuel scale charge will be
 $£20,200 \times 23\% = £4,646$ per annum.

Corporation Tax Rates

Capital Allowances is a system that allows companies to offset the cost of assets used for their business against their tax bill.

Corporation Tax Rates for financial years starting on 1 April					
	2010	2011	2012	2013	2014
Small Profits Rate	21%	20%	20%	20% (TBA)	20% (TBA)
Main rate of Corporation Tax	28%	26%	24%	23%	22%

Capital Allowances

Capital Allowances for financial years starting on 1 April			
	2012		2013
Cars CO ₂ <111g/km	100%	Cars CO ₂ <96g/km	100%
Electric Vans	100%	Electric Vans	100%
Vans	18%	Vans	18%
Cars CO ₂ 111 to 160g/km	18%	Cars CO ₂ 96 to 130g/km	18%
Cars CO ₂ >160g/km	8%	Cars CO ₂ >130g/km	8%

Lease Rental Relief

The rule, which disallows a proportion of car lease rental payments, was reformed in 2009, whereby the disallowance is **15%** of the relevant payments for vehicles with emissions over 160g/km. Cars emitting 160g/km or less, and any light commercial vehicle, attract full tax relief. This threshold reduces from 160g/km to 130g/km with effect from April 2013.

National Insurance

Class 1 NICs: thresholds

Class 1 NICs: thresholds	Figures to use 2012-13		
	Per Week	Per Month	Per Year
Lower earnings limit (LEL)	£107	£463	£5,564
Primary Threshold (PT)	£146	£632	£7,592
Upper accrual point (UAP)	£770	£3,337	£40,040
Upper earnings limit (UEL)	£817	£3,540	£42,475

Class 1A NICs: rates for employee and employer contributions April 2012-13

NICs category	Earnings below LEL	Earnings from LEL up to and including ET	Earnings above ET up to and including UAP	Earnings above UAP up to and including UEL	Earnings above UEL
Employee	NIL	0%	12%	12%	2%
Employer	NIL	0%	13.80%	13.80%	13.80%

VAT

The standard rate of VAT will remain at 20%.



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