



Company Car Policy

One of the great benefits that you'll receive as part of working for McDonald's is a car allowance if you're in a grade 5 role or above. The below policy sets out all you need to know about your company car and/ company car allowance.

Who is eligible for a company car/allowance?

Anyone in a grade 5 role or above is entitled to a company car/allowance of the appropriate category based on your grade. If you are in a grade 6 role then entitlement to a company car/allowance is determined on a business need basis only. Business Managers are entitled to a company car/allowance after 6 months in position.

Please note, if you are a new starter and a car is necessary for you to carry out your role, you may need to take a reallocated car appropriate to your grade.

What options do I have?

If you are eligible for a company car/allowance or your current car lease has recently expired/is coming up to expiry, you have the following two options available to you:

Option 1. Company Car

A new or reallocated company car from the list appropriate with your grade.

Ordering a company car

Company cars are ordered online through our fleet management company Alphabet. You can contact Alphabet via email at mcdfleet@alphabet.com or telephone on 0370 50 50 130 to request a new user account, which you can log into to place your order. The current guide list of cars is available on the intranet. Please note that the availability of certain cars may change as prices and specifications change. Alphabet will confirm the current availability.



Customising my car

If you would like to add optional extras to your car, you will need to pay the full value for these yourself direct with Alphabet at the point of ordering your car. Please note that the choice of metallic/pearlescent paint is included as standard

Lease duration

All leases are now based on 48 month terms. Please note that if leased cars are handed back to Alphabet earlier than the contracted months, regardless of mileage, there will be an early termination charge.

Car renewals

Around 6 months before your lease expires, Alphabet will contact you with your options for renewal. Please note that a replacement vehicle will only be issued to you once the old vehicle is returned in a condition that is deemed acceptable.

In certain circumstances, you may receive a suitable re-allocated car rather than a new one and occasionally it may be necessary to offer you a car from a higher grade, this must be approved by your department head. It is important to note that the driver will still be liable for the BIK for that chosen vehicle.

Returning your vehicle

Alphabet will notify you when your vehicle must be returned. This could be:

- At the end of the lease period
- If you change to a role that does not require a company vehicle
- If your vehicle is being withdrawn for any other reason or;
- When your employment comes to an end

What you need to do

The vehicle must be returned on the agreed return date in a clean tidy and undamaged condition. It will then be inspected by Alphabet before being signed off.

Wear and Tear

There is bound to be some wear and tear over the course of your lease. However, if Alphabet believes that the level of wear and tear is excessive or there are unreported defects or damage, you could be liable for an unfair wear & tear charge which could be deducted from your pay or charged to your departments P&L/G&A.



Cars for part time employees

If you work part-time, the grade of car which you will be entitled to will be calculated by multiplying your part-time % by the maximum monthly WLC for vehicles in your current grade.

Current Whole Life Cost (WLC) values by grade

Grade 6 / BM	Grade 5	Grade 4	Grade 3	Grade 2
£275 - £375	£376 - £410	£411 - £485	£4486 - £560	£561 - £610

The pro-rata value will, in most cases, be lower than the minimum monthly WLC in your grade, meaning you will be eligible to order a car from an appropriate lower grade.

For example:

A grade 4 employee works four days per week, giving a part-time percentage of 80%. The WLC range for grade 4 vehicles is £411 - £485. Therefore, the pro-rated monthly WLC is £485 x 80% = £388.

The lowest WLC in the grade 4 range is £411, so the employee will need to select a car from the grade 5 list. (If the employee chooses to select a car from the grade 6 list, the full trade down allowance from grade 5 to grade 6 would apply.)

If your pro-rated monthly WLC value is below the lowest value for a grade 6 category, you will not be entitled to a company car but will receive a pro-rata cash alternative allowance instead.



Option 2. Cash for Cars

A cash allowance in-line with your grade which can be used to Purchase a car privately.

Allowance

If you decide that you would rather the cash allowance, the below details the amount that each grade is entitled to:

Grade	Annual Gross Cash Allowance
Grade 2	£8,500
Grade 3	£7,000
Grade 4	£5,500
Grade 5	£4,300
Grade 6 / Business Manager	£3,755

If you work part-time, this allowance will be based on a pro-rata percentage of the full time equivalent that you work. For example, a grade 4 employee who works 3 full days per week will receive 60% of the cash allowance for their position i.e. £5,500 x 60% = £3,300 p.a.

What you do with your cash allowance is completely up to you, you may decide to purchase or lease your own car privately or use the cash for another purpose as you would with your normal salary.

Cash for Cars and Business Insurance

If you choose to purchase or lease a car privately, and will be using that vehicle for any journey on company business, it is imperative that the car is insured for business use. All Cash for Cars drivers will be required to declare on My Stuff 2.0 if their vehicle will or will not be used on business and if the former, be required to provide details of the insurance documents. This will be checked annually by Support Services and details held on file.

If you choose not to purchase a car, you'll need to be able to continue your duties as normal and it will be your responsibility to use public transport and/or hire cars at your



own expense to get to your normal work location. More information on what travel you can expense can be found in the expenses policy on the intranet.

Everything else you need to know about the cash allowance:

- If you currently receive a cash allowance, you can decide to take a company car at any time. The cash payment will stop from the delivery date of your company car.
- The cash allowance will be paid with your normal salary. However, it does not form part of your normal salary and is therefore not pensionable and won't be subject to any performance/other increases e.g. scale changes.
- The cash alternatives will be reviewed periodically and may go down as well as up. The new values will affect existing as well as all new recipients.
- If you opt to receive a cash allowance instead of a company car, you will continue to be insured to drive company vehicles provided you have the authority of the car user and a current driving licence, the details of which are held by McDonald's.
- Where a private vehicle is used for business journeys, you need to ensure it is serviced and maintained according to manufacturer's recommendations, is in a good roadworthy condition complying with all existing legal requirements (i.e. valid MOT certificate and road tax).
- As an employee, it is your responsibility to make adequate travel arrangements for work purposes. Should repeated problems occur, you may be required to forego the cash alternative and accept a Company Car.
- Cars set for reallocation or 'pool' cars are not available for drivers who have chosen to receive cash for cars.

Who isn't entitled to a cash allowance?

- If you are banned from driving for whatever reason, you won't be eligible to receive a cash allowance while the ban is in force. Equally, if you are banned from driving whilst already receiving a cash allowance, the allowance will be suspended until the ban has been served. It is your responsibility to complete an electronic licence check (details are available on the Intranet).



- Anyone who has had their car withdrawn due to disciplinary action will not be eligible to receive the cash allowance.

Trade Down Allowances

If you are in a grade 5 or above role and decide to lease a car from a lower grade category than yours, you will be entitled to a trade down allowance.

The current annual trade down allowances are as follows:

Trade down car grade	Grade 5	Grade 4	Grade 3	Grade 2
Grade 6/BM	£545	£1,745	£3,245	£4,745
Grade 5		£1,200	£2,700	£4,200
Grade 4			£1,500	£3,000
Grade 3				£1,500

If you are part-time, you will receive the allowance based on your pro-rata company car category and the grade of car selected.

Vehicle Withdrawal

Your company vehicle may be withdrawn before the end of the lease if you (or any additional driver):

- Fail to comply with this policy, the terms of our insurance policy or any reasonable request from Alphabet or the Fleet Management Team;
- Are convicted of any serious motoring offence, are disqualified from driving, fail to participate in the licence checking process
- Have a medical condition that means you are no longer allowed to drive, or the company has reasonable grounds to believe that you are unfit to drive or;
- If you are dismissed or resign from the company, in which case your vehicle must be returned on or before the effective date your employment comes to an end



Business Mileage

If you have a company car or receive a car allowance, you may be entitled to claim for business mileage using the Advisory Fuel Rates that are published by the HMRC quarterly on 1st March, 1st June, 1st September and 1st December of every year. These rates are the maximum that may be paid tax-free and are designed to cover the cost of fuel only.

HMRC defines business mileage as any mileage that an employee drives for the purpose of carrying out their job. But it specifically excludes journeys between the home and 'permanent' place of work. As a general rule, employees are considered to have a 'permanent' place of work if they have a specified desk/office at a particular site or if they spend 40% or more of their time at one particular site.

If you have a permanent place of work

In practice this means all regional and corporate support staff with the exception of most field based roles.

Business mileage is defined as:

- Journeys from the permanent place of work (and back) to attend business meetings at other locations (e.g. restaurants, other offices, suppliers' offices)
- Journeys from home (and back) to attend business meetings at other locations (e.g. restaurants, other offices, suppliers' offices).

Private mileage is defined as:

- Journeys from home (and back) to the permanent place of work
- Any other journey that does not have a business purpose

Please note, if your journey from home to another business location is essentially the same as that from home to permanent place of work, it cannot be classed as business mileage – e.g. if your permanent place of work is East Finchley, and on the way to or from work, you visit the Finchley Lido restaurant.



If you have no permanent place of work

In practice this covers all field based roles including Operations Consultants and Franchising Consultants.

Where you have no permanent place of work but your duties are defined by reference to a particular geographical area, HMRC will deem the whole geographical area to be your permanent workplace. This means that if you live outside your 'workplace area', the journey between home and the edge of the 'workplace area' is classed as 'ordinary commuting', and cannot be claimed as business mileage.

Business mileage is therefore defined as:

- Journeys within your geographical area for the purpose of carrying out your job
- Journeys from home (and back) to attend business meetings at other locations (e.g. restaurants, other offices, suppliers' offices) that are outside of your geographical area.

And Private mileage is defined as:

- Journey from home to edge of geographical area and vice versa
- Any journey that does not have a business purpose

Please note:

- A private journey cannot be classified as a business one merely by visiting a restaurant on route, unless there is a proper business need for that visit.
- HMRC has not issued definitive guidance regarding its classification of a geographical area. We are currently in correspondence with the Revenue to clarify how the edges of your geographical area should be determined. We will notify you once we have a response. However, in the meantime, if you live outside your area you should assume that the edge of the area is the closest restaurant to your home.

If you are on Secondment for less than two years, you can claim your previous workplace as your permanent place of work for the duration of the secondment.



Business Mileage rates if you are not entitled to a company car/allowance

Business mileage rates can be claimed for employees using their own private car on business who are not entitled to a Company Car or cash. The latest mileage rates are incorporated within the latest expenses form on the Intranet under People > Employee Administration > Expenses.

Tax Relief

If you drive your own car for business, you can claim tax relief against your earnings for the difference between the mileage rate McDonald's pay and the Government approved mileage allowance payments (AMAP) rate.

This is called mileage allowance relief (MAR) and further details on this can be found [here](#).

Claiming passenger payments

If you are kind enough to give a colleague a lift for a journey which is also a work journey for them, 5p per passenger per business mile can be claimed. Only payments specifically for carrying passengers count and there is no relief if you receive less or nothing at all.



Driver Safety

Making sure your vehicle is roadworthy

We know you're probably not a qualified mechanic, but to ensure your safety you do need to make sure your vehicle is roadworthy and maintained according to the manufacturer's guidelines before your drive. A full list of checks can usually be found in the relevant Highway Code (or similar), but you should always make sure that:

- Your tyres are inflated correctly, not worn below legal limits or damaged;
- Your windows and windscreen are clean, your wipers are working and you have screen-wash to last your journey;
- Your light and indicators work and aren't excessively dirty; and
- Your brakes work properly

MOT's and servicing (for company and private vehicles) must be carried out before they are due. If you have ANY reason to think that your vehicle is not roadworthy, do not drive it and contact Alphabet straight away.

Checking you are fit to drive

As well as your vehicle being roadworthy, it's also important to make sure that you are fit to drive. Apart from the risk to yourself and other road users, you may also find yourself liable to criminal prosecution and/or disciplinary action for breaching this policy.

If you are unwell, excessively tired or upset, or think that you may be affected by drugs or alcohol (including prescription or over the counter medicines like hay fever remedies), you should not drive. Be particularly careful if you have drunk alcohol the night before as you can still be over the limit the following day. If in doubt don't drive.

If you have to take medication, check the label (or ask your doctor) about any potential side-effects. If you are unable to drive because of medication or a medical condition, please let your Line Manager know. You may also need to notify the DVLA.

Finally, meeting the minimum legal requirements for eyesight is essential. Always wear prescription glasses or contact lenses if you have them, have regular eye-checks (at least every 2 years), and if you suffer from any eye condition that could affect your driving, check with your optometrist.



Licence Checking

A condition of being provided with a Company Car or Cash Allowance is that you must hold a full current UK driving licence and be prepared to submit the licence for inspection. All licences will be checked annually by Support Services via the DVLA database. In the event that the employee has any penalty points put on their driving licence or the licence is withdrawn for whatever reason the employee must advise their direct manager immediately who will inform People Services.

Driver Responsibilities



Fines and penalties

As the driver, you are responsible for paying any speeding fines, parking tickets, bus lane fines, congestions charges or unpaid tolls (it's also your responsibility to register for any automatic toll payment schemes). If you incur these charges while driving a company vehicle (including a hire vehicle), the fleet provider will pay and re-charge the fee to McDonald's with an additional administration fee, which will be deducted from your salary.



Motoring offenses

If you're convicted of a motoring offence (however minor) while driving on company business, you must let the fleet provider know as soon as you are aware. For company vehicle drivers, the fleet provider will supply your name and home address to the issuing authority if they receive a notice of intended prosecution and will also alert line managers if you have a high number of points on your licence (or a driving ban). You may be required to attend a safe driving and/or speed awareness course.

Smoking in a company vehicle is not allowed (even if you are the sole user) and will be considered a disciplinary offense. It is also against the law to smoke in a vehicle (even your own) with a passenger under the age of 18.



Keeping it clean

If you have a company vehicle, we expect it to be kept reasonably clean and tidy inside and out. As a bare minimum, whatever vehicle you drive, make sure your headlights and windows are clean and your number plate isn't obscured.



Maintenance and repairs

For company vehicles, the company pays for maintenance and repair costs (including MOTs and servicing) which is managed by Alphabet. If there is unreasonable damage or excessive wear and tear, you may be asked to pay for it when the vehicle is returned. If you drive your own vehicle on company business, you are responsible for maintenance and repair costs.

As well as arranging for your vehicle to be MOT'd and serviced before the due date, you are also responsible (whatever vehicle you drive) for day-to-day maintenance like keeping your tires inflated, keeping the oil and antifreeze topped up and putting in the right fuel (plus any additives like AdBlue – the manufacturer's instructions will say whether this is required).

If a warning light comes on or you think there is a problem, don't ignore it. For any company vehicle drivers, let the fleet provider know as soon as possible – there may be serious safety consequences.



Using phones and technology

Using your phone or satnav while driving is one of the biggest causes of accidents on our roads today. Even using your phone handsfree or with voice activated commands (although not illegal) can seriously affect your concentration. Research by RoSPA shows that drivers who use their phone while driving are *four* times more likely to have an accident.

Remember to only use your phone when it is safe to do so and always with a handsfree device. To help you resist using your phone while driving, you can put your phone on flight mode for the duration of your journey which will stop all call / message notifications until you arrive. When using a satnav, make sure your device does not obstruct your view, program your destination before you set off and pull over if you need to change it.

Don't forget, it is also illegal to use your phone or electronic device without handsfree while stopped at traffic lights or in queueing traffic.



More Information

What if I am promoted?

If you are promoted, you will retain your existing company car until its renewal date and you will receive the appropriate trade down allowance from the date of your promotion.

If you have exceptional circumstances, we may be able to reallocate it for you. Please note any reallocation of an existing car will need to be approved by your department head (grade 2 or above) and a car may not be reallocated within two years of its previous reallocation.

What happens if I am off on long term sick?

If you are off from work due to sickness for longer than 26 weeks or if you are accepted under the Long Term Disability benefit, you will no longer be eligible for a company car/allowance.

What happens if I am off on maternity leave?

If you are eligible for a Company Car / Cash Allowance, entitlement remains unchanged during your maternity leave.

What happens if I leave the Company?

Prior to leaving, Alphabet will contact you to make arrangements for the car to be returned/collected. You will be asked to fill in a vehicle inspection report and provide images of any damage noted. Any damages to the car over £200 will result in an unfair wear & tear charge to your departments P&L/G&A.

Further Support

If you've got any questions, speak to your manager or get in touch with our People Services Helpdesk on 0345 606 0321 or at peopleserviceshelpdesk@uk.mcd.com

Please be aware that this policy is not contractual and the company reserves the right to amend, vary or withdraw the cash and/or trade down allowances together with the car listings for any or all grades as considered necessary.