

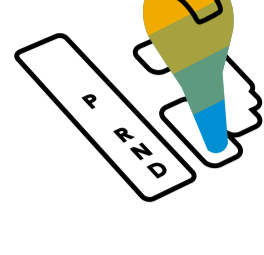
All roads lead to FAVR

You have choices when it comes to vehicle programs for high-mileage drivers. Do you know which way to turn?



On the road again

Your employees **keep your business moving forward** and sometimes that requires driving a vehicle



464.4 Million

Trips for business purposes in 2019¹

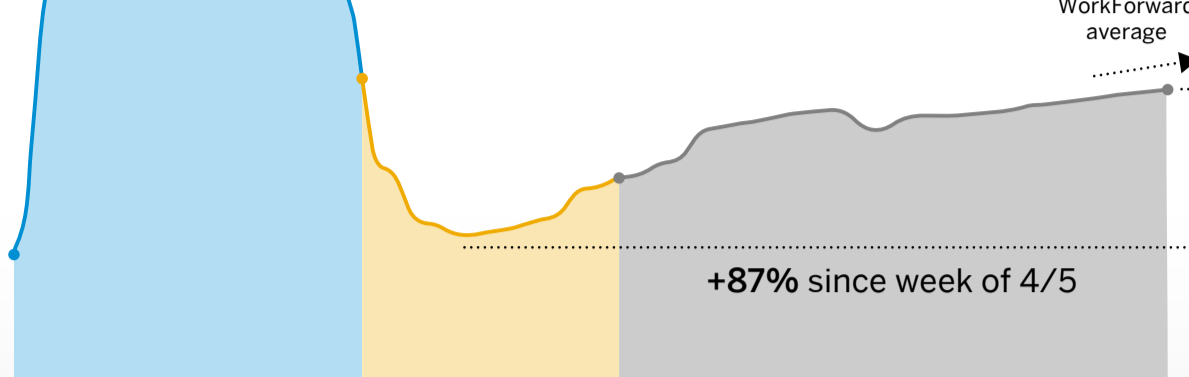
30%

of jobs require driving²

Business Mileage Increasing Gradually

64%

National business mileage activity remains stagnant at **64% of pre-pandemic levels** as of September 17, 2020 with disparate industry and regional recovery³

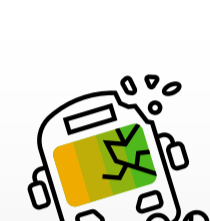


Taking traditional routes

There are **pros and cons** to each of the standard vehicle program approaches

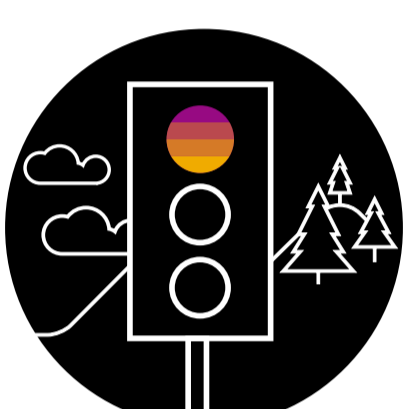


	PROS	CONS
Flat car allowance	<ul style="list-style-type: none"> Predictable costs Easy administration 	<ul style="list-style-type: none"> No regional accommodations Employer and employee tax liabilities Potential for employee dissatisfaction
Cents-per-mile reimbursement	<ul style="list-style-type: none"> IRS rate compliance No tax liabilities 	<ul style="list-style-type: none"> Inequities Potential for fraud Wasted employee time
Fleet vehicles	<ul style="list-style-type: none"> Employee perk Employer control 	<ul style="list-style-type: none"> 24/7 company risk Higher costs Less employee choice



300% Higher accident rates associated with company-owned vehicles relative to national average⁴

7.65% FICA tax rate paid by company on flat car allowances



Pump the brakes on cost

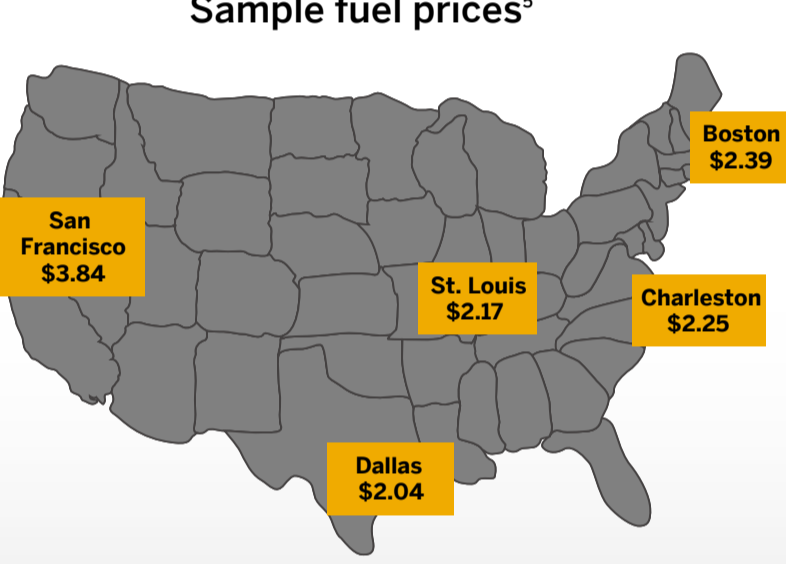
When it comes to the cost of operating, maintaining, and insuring vehicles across all 50 states, **location matters**⁵

188% difference between the lowest and highest U.S. fuel prices

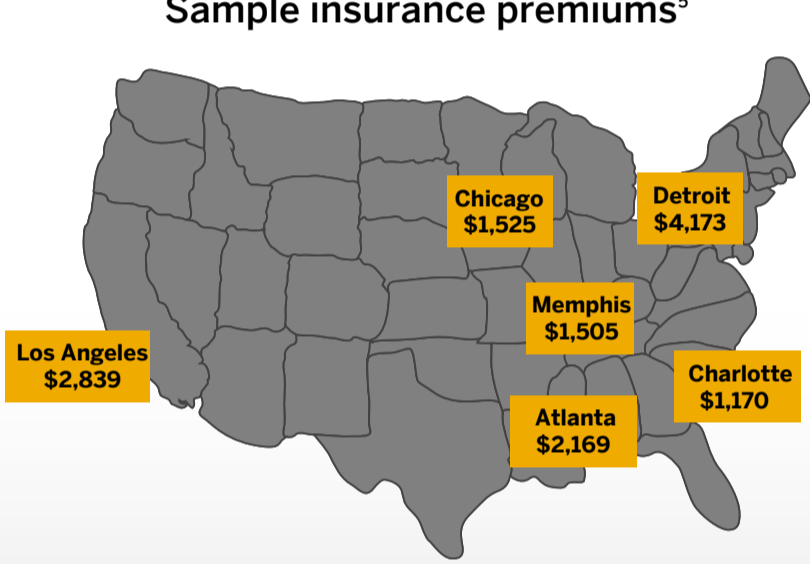
356% difference between the lowest and highest average U.S. insurance costs



Sample fuel prices⁵

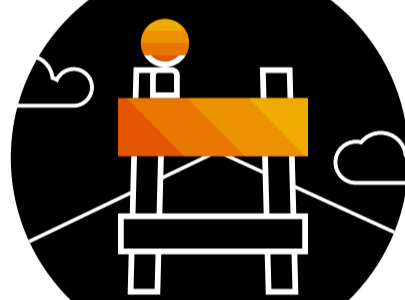


Sample insurance premiums⁵



Watch for risks

As per-driver mileage increases **so does the risk profile** for companies.



Vicarious liability	Companies are responsible when accidents happen in fleet vehicles, even during non-working hours.
Labor laws	The Fair Labor Standards Act says employees must clear minimum wage after receiving mileage reimbursements.
Tax compliance	Employers and employees are both responsible for applicable FICA taxes on mileage reimbursements.
Mileage fraud	Manual mileage and vehicle expense recording processes lead to mistakes, both intentional and accidental.



...And litigation hazards

Companies found liable for issues related to vehicle program reimbursements have **faced serious and costly consequences.**



\$5.1 Million

paid by **Pizza Hut** when drivers claimed they were not being reimbursed for job-related costs⁶

\$4.5 Million

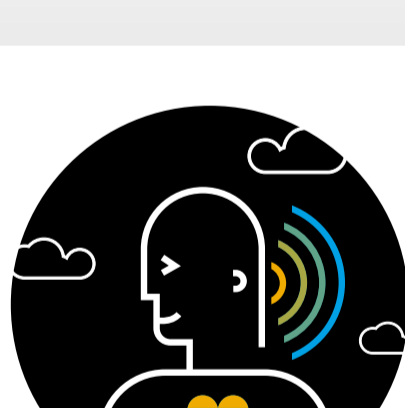
paid by **RadioShack** for insufficiently reimbursing employees for personal vehicle expenses⁶

\$3 Million

paid by **Starbucks** for not making mileage expense reimbursements a matter of company policy⁶

Listen to the driver

Employees who drive for work **prefer their own vehicle.** It gives them:



- Comfort** in the vehicle they're familiar with
- Safety** when car seats or other custom features are needed for off-hours
- Satisfaction** knowing their employers honor their preferences



It's time to choose a new lane

Join an increasing number of companies transitioning to automated fixed and variable rate (FAVR) mileage reimbursement solutions that allow workers to drive their personal vehicles.

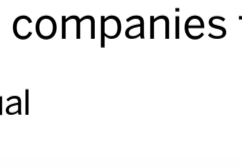
21 Hours

Average administrative hours saved per user each year by using automated expense management tools over manual processes



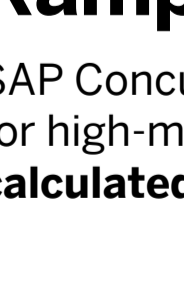
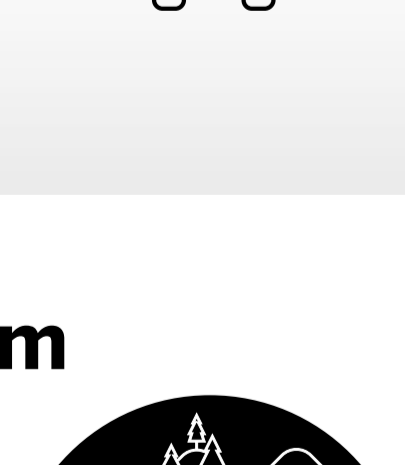
Moving to a FAVR approach allows companies to:

- Save money** by reimbursing for actual out-of-pocket vehicle costs
- Reduce tax liabilities** for both employer and employee
- Reallocate savings** by reselling fleet vehicles



Ramp up to a better vehicle program

SAP Concur® FAVR by Motus ensures that reimbursements for high-mileage drivers are **accurate, easy to use, and fairly calculated** for the benefit of both employer and employee.



- More equitable** than cents-per-mile reimbursements
- Less of a tax burden** than car allowances
- More cost effective and less risky** than fleets

91%

of surveyed customers reduced vehicle program costs up to 40%⁷

85%

of surveyed customers re-invested cost savings into their organization⁷

91%

of surveyed customers realized a return on investment in 6-12 months or less⁷



Learn how **Concur FAVR by Motus** can smooth out the bumps in your vehicle reimbursement program. Visit our site for details and download a copy of our whitepaper.

Sources:
 1 U.S. Travel Association, [U.S. Travel Answer Sheet](#)
 2 U.S. Bureau of Labor Statistics, [30 percent of civilian jobs require some driving in 2016](#)
 3 MOTUS, [Mileage Trends Flash Report \(September 17, 2020\), Overall Business Mileage Growth Remains Stagnant at 64% of Pre-Pandemic Levels, with Disparate Industry and Regional Recovery](#)
 4 MOTUS, [2019 Motus Driver Safety Report](#)
 5 AAA
 6 MOTUS, [Mileage Reimbursement Related Lawsuits](#)
 7 TechValidate