

REIMBURSE OR RENT?

Companies may be surprised to find out just how much they spend on mileage reimbursement for their employees. These companies usually have a mileage reimbursement policy tied to the current IRS rate, but the policy probably doesn't indicate when it's more cost-effective to rent a car. In this brief we highlight the savings your business can achieve when employees turn to rental cars for certain travel scenarios.

SAMPLE COMPANY TRAVEL PROFILE

For this example, we will consider the following criteria of an enterprise-sized company that often requires employees to travel:

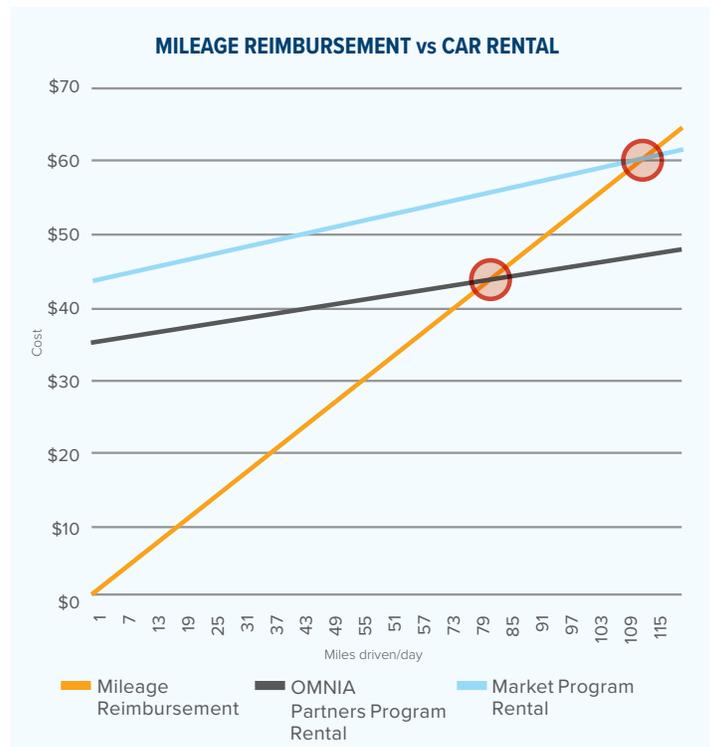
- » Large, decentralized field sales team
- » \$1 mil annual mileage reimbursement
- » IRS mileage reimbursement rate of \$.535
- » Car rental sales tax of 18%
- » Fuel/gallon is \$2.20
- » Rental car fuel economy = 32 mpg

WHEN DOES IT MAKE SENSE TO RENT?

Using the company's travel profile, the break-even point is calculated to determine when employees should rent a car. The OMNIA Partners Program with supplier partner Enterprise Rent-A-Car features competitive base rates, negotiated city surcharges, fuel, GPS, one way, one day, and weekly/monthly factors, allowing the company see a lower break-even point when compared to market rates:

- » Market break-even point = 110 miles
- » OMNIA Partners break-even point = 82 miles

Employees driving
>82 miles per day
save the company money by renting a car



RESULTS WITH THE OMNIA PARTNERS CAR RENTAL PROGRAM

By utilizing the OMNIA Partners program, the company can now update their travel policy to make sure employees use rental cars if their trips are over 82 miles in one day:

TRIP LENGTH	MILEAGE	RECOMMENDATION
1 Day	> 82 Miles	Rent Car
2 Days	> 164 Miles	
3 Days	> 246 Miles	
4 Days	> 328 Miles	

Even with only a fraction of its road warriors adopting the new policy, the company realizes significant results:

25% of employees using mileage reimbursement program moved to car rental resulting in

\$90,000 in cost savings

EXTENDED VALUE BEYOND YEAR ONE

With 75% of in-policy mileage reimbursement still available to transition, there is potential for continued savings, year over year.



ADDITIONAL CAR RENTAL BENEFITS

1. New model vehicles
2. No wear/tear on personal vehicles
3. Loyalty program reward credits
4. Option to include insurance with rental
5. Monthly savings report

HOW MUCH CAN YOU SAVE?

This is a simple overview of the savings available with the OMNIA Partners program. Are you ready to see what your company can save? Contact your **OMNIA Partners Member Development Representative** to get started.