

CAR ALLOWANCE LETTER TO EMPLOYEE

Company Name: _____

Company Address: _____

Employee Name: _____

Employee Address: _____

Subject: Car Allowance Agreement

This Car Allowance Letter (the “Agreement”) is made between the Company named above (“Employer”) and the Employee named above (“Employee”). The purpose of this Agreement is to set forth the terms and conditions under which the Employer will provide a car allowance to the Employee as part of their compensation package. This Agreement is governed by the laws of the United States of America and is legally binding upon execution.

1. Car Allowance Payment

Employer agrees to pay Employee a car allowance in the amount specified in Employee’s compensation package or employment agreement (the “Car Allowance”). The Car Allowance shall be paid on a regular basis as determined by Employer, and will be included in Employee’s paycheck or as a separate payment.

2. Purpose and Use of Car Allowance

The Car Allowance is intended to reimburse Employee for expenses associated with the use, maintenance, and operation of a vehicle necessary to perform Employee’s job duties. Employee may use the Car Allowance at their discretion, and no specific vehicle is provided by Employer. Employee remains responsible for all vehicle-related expenses and liabilities.

3. Taxes and Withholding

The Car Allowance is considered taxable income by the Internal Revenue Service (IRS) and is subject to applicable federal, state, and local income tax withholding, as well as FICA and other payroll taxes. Employee acknowledges responsibility for the tax consequences of receiving the Car Allowance.

4. No Vehicle Provided

Employer does not provide a vehicle to Employee as part of this Agreement. Employee acknowledges that the Car Allowance is not a substitute for a company vehicle and does not entitle Employee to receive or maintain a vehicle owned or leased by Employer.

5. Maintenance and Insurance

Employee is solely responsible for all maintenance, repair, insurance, registration, and operation of their personal vehicle(s). Employer is not liable for any damage, injury, or loss related to the vehicle or its use, whether or not related to Employee’s job duties.

6. Reimbursement and Expenses

This Car Allowance is not a reimbursement program. Employee is not required to submit vehicle-related expenses or receipts to Employer. No additional reimbursement for mileage or vehicle expenses will be made beyond the Car Allowance payments specified herein.

7. Term and Termination

This Agreement shall commence on the date agreed upon between Employer and Employee and shall continue until terminated by either party. Employer reserves the right to modify or terminate the Car Allowance at any time, with or without cause, upon written notice to Employee.

8. Entire Agreement

This Agreement constitutes the entire understanding between Employer and Employee regarding the Car Allowance and supersedes any prior agreements or understandings, whether written or oral. Any amendments or modifications to this Agreement must be in writing and signed by both parties.

9. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the United States and the state in which the Employer maintains its principal place of business, without regard to conflict of laws principles. Any disputes arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts located within that state.

10. Acknowledgment and Acceptance

Employee acknowledges that Employee has read and understands this Agreement, that Employee has had the opportunity to seek independent legal advice, and agrees to be bound by its terms. Employee's signature below constitutes acceptance of the terms of this Car Allowance Agreement.

EMPLOYER AUTHORIZED SIGNATURE

EMPLOYEE SIGNATURE

Signature: _____

Signature: _____

Name and Title: _____

Name: _____

Date: _____

Date: _____

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