CycletoWork Plus (in conjunction with Cyclescheme) FAQ’s

What is CycletoWork Plus?
This is a government backed initiative designed to encourage the use of cycling to work and therefore reducing traffic congestion, air quality and increase access to more sustainable means of commuter transport.

CycletoWork Plus is a Company scheme which allows you to make big savings on the cost of a new bike and related safety and security equipment. The scheme enables you to obtain a Cyclescheme voucher to buy a bike and additional safety equipment, worth a minimum of £100 and up to £1,000 in total, through a salary exchange agreement with the Company over a 12 month period. This means that you can make substantial tax and NI savings when buying a new bike through CycletoWork Plus, and can also pay the cost of a bike off over 12 months without interest.

Am I only able to sign up to CycletoWork Plus during the benefit selection window in September?
No, unlike many of the other Salary Exchange schemes run by the Company, you are able to join CycletoWork Plus at any time. Simply complete a Lifestyle Change Notification Form and return it to the HR team.

Where can I buy a bike from through CycletoWork Plus?
You are able to buy a bike through any one of Cyclescheme’s partner stores. Cyclescheme has the UK’s largest network of independent bike shops, with over 1,800 stores nationwide taking part. Many of the local bike shops in York are Cyclescheme partners. You can find a participating bike shop near you here: http://www.cyclescheme.co.uk/partners. Before you sign up to the scheme you must go to your chosen store and receive a quote for your bike and safety equipment.

Can I only use the bike for work or work-related journeys?
No. The bike should mainly be used for work or work-related journeys, but you are also able to use the bike for non-work related journeys too. It is recommended that at least 50% of the bicycle’s use should be for work related journeys.

Can I access CycletoWork Extra and still take a Staff Car Parking Permit?
The main purpose of the bike is to travel to work or for work-related journeys, so in order to access CycletoWork Plus you must reduce any Staff Car Parking Permit you may have to a part-week one for the duration of your Salary Exchange.

How do I make tax and NI savings when buying a bike through CycletoWork Plus?
When you buy a bike through CycletoWork Plus, you are agreeing to enter into a Salary Exchange agreement for a period of 12 months. A Salary Exchange is where you agree to give up the same amount of your salary as you would pay for the bike. As your income is less during the 12 month hire period, you pay less tax and national insurance contributions on your salary. Here’s an example, where a monthly-paid employee earning £15,000 takes a bike worth £500:

<table>
<thead>
<tr>
<th></th>
<th>Without Salary Exchange</th>
<th>With Salary Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Monthly Salary Before Salary Exchange</td>
<td>£1,250.00</td>
<td>£1,250.00</td>
</tr>
<tr>
<td>Monthly Cost of Bike Purchase through Salary Exchange</td>
<td>-</td>
<td>£41.67</td>
</tr>
<tr>
<td>Gross Monthly Salary After Salary Exchange</td>
<td>£1,250.00</td>
<td>£1,208.33</td>
</tr>
<tr>
<td>Tax (20% after allowances)</td>
<td>£114.92</td>
<td>£106.58</td>
</tr>
<tr>
<td>National Insurance</td>
<td>£73.92</td>
<td>£68.92</td>
</tr>
<tr>
<td>Net Salary</td>
<td>£1,061.16</td>
<td>£1,032.83</td>
</tr>
<tr>
<td>Less monthly cost of bike from Net Salary (for illustrative purposes)</td>
<td>£50.00</td>
<td>-</td>
</tr>
<tr>
<td>Net Pay after Bike Purchase</td>
<td>£1,011.16</td>
<td>£1,032.83</td>
</tr>
</tbody>
</table>
Are there any conditions that I must satisfy in order to access the scheme?
You must be an employee of the Company, and be on either a permanent contract or a fixed term contract for a period of 13 months or longer. The salary exchange must not take your pay below either National Minimum Wage or the Company’s Pay Protection Limit. This is £8,200 for 2012/13.

Can the voucher be exchanged?
The voucher cannot be exchanged for cash and change cannot be given should the value of the bike and equipment be less than the amount stated on the voucher. You are unable to top-up the amount you elect so you must ensure that your chosen amount is adequate to fund your bike and equipment you require.

What happens if I leave the Company before I have finished paying for the bike?
If you leave the Company before the end of the 12-month payment period, you will pay the Company any outstanding balance.

What happens if I am made redundant before I have finished paying for the bike?
If you are made redundant before the end of the 12-month payment period, you will pay the Company any outstanding balance.

If I change my mind, can I give the bike back?
By signing up to the scheme, you are agreeing to a Salary Exchange for a 12 month period. You cannot revert to your Pre-Salary Exchange salary by returning the bike.

Do I have to insure the bike?
Yes, you need to insure your bike for the hire period (and provide proof of this) as if it is lost or stolen during the hire period you will still have to make the remaining payments.

Who is responsible for maintaining the bike?
If you take a bike through the CycletoWork Plus scheme, it is your responsibility to properly maintain the bike and ensure its roadworthiness.

What is the most that I am able to buy a bike for under the scheme?
The scheme only covers bike packages up to a limit of £1,000 including VAT.

If I am under 18, can I still buy a bike?
Yes, you may still be able to access the scheme if you are under 18, but you will require a guarantor.

What happens at the end of the hire period?
At the end of the hire period, Cyclescheme will contact you to discuss the options available. The most attractive option is to pay a small, refundable deposit known as a “Continuation Deposit” (3% or 7% of the equipment value*) and continue to use the bicycle for an extended period of up to 36 months. At the end of this period, if you do not wish to keep the bicycle, then Cyclescheme will refund the deposit in full. Alternatively, Cyclescheme will offer you ownership of the bicycle at this point, and no further action or payment will be required if you wish to keep the bicycle.

You should note that the Continuation Deposit is payable directly to Cyclescheme and so cannot be paid through payroll. There are therefore no tax or NI savings on the Continuation Deposit.

*The lower figure is for equipment value of £500 or less, the higher figure for equipment value of more than £500 (inclusive of VAT).

Who actually owns the bike?
During the 12 months when you are paying for the bike, the bike and any related safety and security equipment is owned by the Company. During the extended hire period with Cyclescheme, Cyclescheme owns the bike and any related safety equipment. At the end of the extended hire period with Cyclescheme, the bike is owned by you.