

## CYCLE TO WORK SCHEME

### Who are Cyclescheme?

Cyclescheme is an independent company created to help employers and employees make the most of the Government's Green Transport Plan Initiative. They use local independent bike shops to help supply the right package of bike, accessories and safety equipment with expert advice.

### What is the process of getting a tax free bike for work through Cyclescheme?

You would apply for your chosen package by;

- a. visiting your chosen bike shop and agreeing a price on a bike and accessories, where you will be given a paper quote
- b. visiting the following secure Queen Mary, Cyclescheme link; [www.cyclescheme.co.uk/9b1f77](http://www.cyclescheme.co.uk/9b1f77)
- c. entering the details online
- d. accepting the hire agreement electronically
- e. requesting a secure voucher
- f. printing the hire agreement, signing the hard copy and forwarding it to the Payroll and Pensions Manager in Human Resources (**please note, no action will be taken until Human Resources receive a signed copy of the agreement**)
- g. The Payroll and Pensions Manager will assess you eligibility and if eligible, validate the voucher with Cyclescheme and request payment from finance to Cyclescheme.
- h. once Cyclescheme have received payment, a secure voucher will be sent to your home address set out in your application.
- i. you take the voucher back to the bike shop to collect the bike.

Please note you will need to provide photographic evidence at the bike shop; this may be your driving licence, passport or Queen Mary security pass.

Please do not use cash to buy the bike as we cannot re-imburse you for this payment. **You can only use the voucher to purchase the bike.**

### Who is eligible to join the scheme?

To be eligible to participate in the scheme you **must** meet the following requirements:

- you must have a contract of employment with Queen Mary, University of London or associated company and paid by the College HR department.
- the duration of your employment contract must be for at least 12 months from the date of the first deduction
- you must be a UK taxpayer via PAYE;
- you must be over 18 years of age (to comply with Consumer Credit Act legislation) or have a guarantor who is over 18; and
- your salary must not fall below the National Minimum Wage (NMW) or below the NI Primary Threshold, once the hire payment is deducted.
- This scheme is part of the government initiative to encourage people to cycle to work and it is a requirement of the scheme that you use your bike

for **at least 50% of work journeys**. Travel by bike does not have to cover the whole journey and could be from your home to your local station. You can, of course, use the bike for leisure purposes.

- You will be responsible for maintaining the bike in good condition and for taking out adequate insurance on the bike during the hire period. You must insure the bike. This is a mandatory requirement of the scheme
- Salary sacrifice cannot be backdated

### **Can I choose any bike?**

You can choose any bike, including electric bikes, providing your chosen supplier is a Cyclescheme partner and is able to supply it - there are over 1,000 independent bike shops who are partners.

### **Is there a limit on how much I can spend on the bike?**

You may spend a minimum of £200 and a maximum of £1,000 (including VAT) for the bike including bike accessories

### **What kind of safety equipment may be included?**

Safety equipment normally covers the following items; helmet, secure lock and chain, repair kits, reflective clothing, lights, reflectors and luggage carriers.

### **Can I get a bike for my family member/child/partner?**

No, the bike must be for your use and must be suitable for commuting purposes.

### **What happens if the cost of the bike is less than the voucher?**

If the bike and equipment is less than the value of the voucher issued, no reimbursement of the difference will be given. Therefore you should consider your quote carefully to ensure you select the correct value of voucher for your needs.

### **What if the bike shop I want to use is not a partner of Cyclescheme Ltd.?**

Cyclescheme has a growing network of over 1100 Partner Shops in the UK who can be easily located through the postcode search on their website. If you find the bike you want but the bike shop is not a Cyclescheme partner, contact Cyclescheme. They will try to establish contact with the shop with a view to them becoming a Cyclescheme Partner Shop.

### **How will payments be deducted?**

The value of the bike will be divided into 12 equal payments and deducted from your gross salary on a monthly basis. When you sign the hire agreement you will therefore be agreeing to a change in your terms and conditions of employment by authorising these deductions to your pay.

### **When will deductions begin?**

Deductions will begin from the next possible payroll after receipt of the signed hire agreement.

**Am I responsible for maintaining the bike?**

Yes. Your partner shop will be able to advise you about necessary servicing depending on how you use your bike. Many shops offer a free first service and warranty.

**How much will I save?**

Savings are made through tax and NI contributions. You can normally save between 30% and 50% on the cost of a bike. Actual savings will depend upon your personal tax banding. Please note that the final payment when purchasing the bike at the end of the hire period (the 'fair market value payment') needs to be taken into account when calculating your total savings.

**Who actually owns the bike? What happens if it is stolen?**

The bike and goods remain the property of Queen Mary University until the hire period finishes. At the end of the hire period you may be given the opportunity to buy the bike for a fair market value payment. However, during the hire period, if the bike gets stolen you will be liable for any outstanding monies (without any tax exemptions), so it's very important to make sure the bike is insured. You can obtain safety equipment, including Home Office-approved 'Sold Secure' D-locks and cable locks, as part of the scheme.

**What happens at the end of the loan period?**

You will be given the option to purchase the bike and accessories and you will pay the fair market value.

**What is a 'fair market value' payment?**

This is administered by Cyclescheme. More information can be found at: <http://www.cyclescheme.co.uk/help/endo-of-hire-process-video>

**How will my pension contributions be affected?**

Pension contributions will be based on the full salary, before any deductions

**Do I have to cycle the whole journey to and from work on every day that I normally work?**

Travel by bike does not have to cover the whole journey and could be from your home to your local station. You do not have to cycle in every day that you normally work but it is a requirement of the scheme that you use your bike for at least 50% of work journeys. There is no specific requirement to cycle for a specific number of days per month or per annum, nor would you be required to record your mileage. You may use the bike for leisure at weekends and on holiday.

**How long is the hire period?**

The hire period is 12 months

**What if I work part-time?**

You may participate in the scheme as long as you meet the eligibility criteria

**What if I am on sick leave and maternity leave?**

We will continue to deduct payments whilst you are on full-pay and half-pay as long as the deductions do not take you below the National Minimum Wage or the Primary Threshold.

**What if I change my mind, may I cancel the arrangement?**

Once you have signed the hire agreement and exchanged the voucher for the bike, you will not be able to cancel the arrangement.

**What happens if the bike gets lost / stolen before I've paid for it?**

If the bike is lost, stolen or damaged during the hire period, you will still be responsible for any outstanding payments due under the cycle to work scheme agreement. This is why you must have sufficient insurance cover for your bike in order to participate in the scheme. You may be able to include this to your home insurance. You will need to make sure that any safety equipment purchased conforms to your insurance company's requirements. Advice is available from Cyclescheme Ltd's partnering shops.

**What's the best way to insure the bike?**

Your household insurance policy is usually the cheapest option but you must ensure that the insurer covers the bike when in storage away from your home, and that the bike's value doesn't exceed the upper claim limit. If the bike can't be covered on your home insurance, Cyclescheme recommend [Cycleguard](#) (02476 851 000) for insurance. It is a condition of the scheme that you insure the bike.

**What happens if I want to leave the scheme early and keep the bike?**

If you leave the scheme before the end of the hire period you will have to pay the full cost of the bike from your net salary (i.e. without the tax and NI exemptions). If you wish to purchase the bike, a termination fee equivalent to the 'fair market value' will be charged.

**What if I don't want the bike at the end of the hire period?**

If you decide to return the bike at the end of the hire period, you will need to inform Cyclescheme.

**What kind of parking/storage facilities are there?**

Queen Mary has the following spaces available for parking bikes. If it is a folding bicycle, it may be stored on the premises subject to the agreement of your manager. Bike racks are fairly well used and whilst we will be keeping parking facilities under review, you may wish to consider purchasing a folding bike which can be kept in your office, subject to Health and Safety regulations and Manager agreement;

More detail on cycle parking space can be found from the Colleges Estates department.

**What about showers and lockers?**

At Mile End, there are currently showers available in the basement of the Queens building and the 1<sup>st</sup>/2<sup>nd</sup> floor of the Francis Bancroft building. At Charterhouse Square there are showers in the basement of Dawson Hall.

**What if I do not have access to a computer?**

Speak with your Head of Department, Line Manager, Institute Manager or Departmental Administrator. They should be able to provide you with access to a computer in order to make the application.