



## Cycle to Work Policy

## Contents

1. Aims
2. General principles
3. Definitions
4. Financial procedures
5. Eligibility
6. Procedure
7. Employee responsibilities
8. General

## 1. Aims

The aim and purpose of this policy is to explain the support we provide for you in accessing a cost-effective and environmentally friendly mode of transport to work.

## 2. General principles

The cycle to work scheme allows you to purchase a bike and associated equipment (from £100 up to a total value of £1000) tax and NI free through a hire agreement, whereby you loan the bike for a period of 12 months from Enquire Learning Trust. This is done via a salary sacrifice arrangement.

You must use the bike mainly for qualifying journeys, which means between home and your workplace or between one workplace and another.

The policy and procedure has been written in line with guidance issued by HMRC.

### 3. Definitions

\*NI is National Insurance which are contributions taken via payroll to build up entitlement to certain state benefits.

\*HMRC is Her Majesty's Revenue and Customs, the body which collect and administer taxes.

\*Salary sacrifice happens when an employee gives up the right to receive part of their salary in return for the employer's agreement to provide them with some form of non-cash benefit. It is a permanent change to your terms and conditions and may affect calculations of earnings – related benefits, which are based on cash pay such as statutory maternity, pay or state pension. The Trust will maintain all documents relating to salary sacrifice arrangements as required by HMRC.

\*Net pay is pay after tax and national insurance deductions have been made.

#### 4. Financial Procedures

The value of the bike/equipment is repaid over a 12 month period via a salary sacrifice arrangement. During this period Enquire Learning Trust is the owner of the bike. Please see below a table below detailing the net payments over 12 months and the savings you will make by using the scheme:-

<b>BIKE RETAIL PRICE £100</b>	<b>Join cycle2work and get this bike for:</b>		<b>SAVE UP TO £42!</b>
	As a Basic rate Tax payer <b>£5.67 per month</b> £68 over 12 months	As a Higher rate Tax payer <b>£4.83 per month</b> £58 over 12 months	
<b>BIKE RETAIL PRICE £500</b>	<b>Join cycle2work and get this bike for:</b>		<b>SAVE UP TO £210!</b>
	As a Basic rate Tax payer <b>£28.33 per month</b> £340 over 12 months	As a Higher rate Tax payer <b>£24.17 per month</b> £290 over 12 months	
<b>BIKE RETAIL PRICE £1000</b>	<b>Join cycle2work and get this bike for:</b>		<b>SAVE UP TO £420!</b>
	As a Basic rate Tax payer <b>£56.67 per month</b> £680 over 12 months	As a Higher rate Tax payer <b>£48.33 per month</b> £580 over 12 months	

At the end of the 12 months ownership of the bike transfers from Enquire Learning Trust to the benefit provider (Halfords). At this point you will enter into a zero cost extended hire agreement directly with Halfords. Halfords will then contact you to let you know when you become owners of the bicycle which will be when the value as per the HMRC matrix valuation of the bike has depreciated to nil. You will have no further payments to make through this benefit and this option will maximize the savings for you.

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If you have taken a loan for a bike, you can only take another loan for a new bike once you have ended the 12 month hire agreement with Enquire Learning Trust and entered into the Halfords Extended Hire.

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If you are also taking a season ticket loan, the combined loans must not exceed £5,000.

If you leave The Trust during the 12 month salary sacrifice period, the remaining outstanding balance of the hire agreement will be deducted from your final salary payment. This will be done from net pay rather than salary sacrifice. If any amount remains outstanding this must be paid within 14 days of your employment ceasing with Enquire Learning Trust. Halfords will then contact you at the end of the 12 month period to discuss the end of hire.

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## 5. Eligibility

All directly employed employees on a permanent agreement or fixed term service agreements due to be in place for the 12 months following the benefit selection are eligible for this benefit.

## 6. Procedure

Find your nearest store by visiting [www.halfords.co.uk](http://www.halfords.co.uk) or call the Halfords Cycle2Work contact centre team on 0345 504 6444 who will be able to provide you with all local Halfords stores and local approved Independent retailers. Choose the bike you want. Make a note of the cost (including VAT) and ask the shop for a written quote.

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Visit the cycle2work website [www.cycle2work.info](http://www.cycle2work.info), you will process your application and select the value of the bike and equipment you require. This amount will be your voucher value. Note that the voucher value cannot be altered if you subsequently choose a bike and equipment which costs a different amount. Confirm your selection and click 'submit'. If you do not have access to a PC please call the Halfords contact centre team on 0345 504 6444.

You will then be required to sign a hire agreement electronically (which forms a variation on to your terms and conditions) once completed this will be sent to your employer for approval. Once both parties have completed the hire agreement you will both receive a copy of the signed agreement for your records. If you are unable to process the hire electronically please call the contact centre team on 0345 504 6444.

Halfords will then issue the voucher directly to you via email. At this point you can return to the participating store to collect your bike and/or equipment.

The salary sacrifice will commence in the month following your selection from a Halfords store or one of its local approved retailers.

At the end of the 12 month period you will be invited to either return the equipment or enter into a zero cost extended hire agreement directly with Halfords.

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## 7. Employee responsibilities

Responsibility for the safe use and maintenance of the bike/equipment is with you. For example, The Trust will not be liable if you were to have an accident whilst riding the bicycle to or from work.

Responsibility for the safe keeping of the bike rests with you and you may consider adding the bike to your home insurance policy as appropriate.

If the bike is lost, stolen or damaged during the period of the hire agreement, the monthly salary sacrifice will remain in place until full monies have been collected.

You are not able to cancel or withdraw from the agreement except for during the initial 14 day "cooling off" period.

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## 8. General

This policy supersedes any arrangements previously set out in the Staff Handbook.

If you have any queries regarding the application of this policy, please speak to your line manager or a member of HR.

This policy will be reviewed every 2 years, or earlier if legislation or practice changes.