

## Cycle to Work Scheme

The cycle to work scheme is a tax exempt scheme which allows eligible employees to purchase a bike and associated equipment (from £100 to a total value of £1,000+vat) tax and NI free through a hire agreement. This is done via a salary sacrifice arrangement.

Tax exemption is dependent on:

- the equipment hired must be a bicycle and/or related safety equipment
- the employee must remain in employment for the duration of the hire period
- the employee must mainly use the equipment for commuting

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

### Financial

The value of the bike/equipment is repaid over a 12 month period via a salary sacrifice arrangement. During this period Cartridge Save is the owner of the bike.

At the end of the 12 months ownership the bike transfers from Cartridge Save to the benefit provider ( ). At this point you may be offered the opportunity to pay a holding deposit to the benefit provider so that at the end of the 43 month period ownership of the bike/equipment transfers to you. Details of the cost of this payment is available from ( ), HMRC or HR.

If you have taken a loan for a bike you can only take another loan for a new bike once you have transferred ownership of your previous bike.

If you leave Cartridge Save during the salary sacrifice period, you will have to pay the remaining balance of the hire agreement plus the holding deposit fee to Cartridge Save via your final salary payment or reimbursement via cheque. This will be done from net pay rather than salary sacrifice. Payment by cheque must be made and the funds cleared in our bank account prior to your final salary being paid.

### Eligibility

To participate in the scheme:

- your salary must not fall below National Minimum Wage once the salary sacrifice has been applied
- you must be aged 18 years or over
- you must be attending work at the time of making an application

### Joining the scheme



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By joining the Cycle to Work Scheme you are agreeing to vary your terms and conditions of employment by reducing your gross contractual salary by the value of the cycle and cycle equipment.

To join:

1. Go to one of the participating bike stores and choose the bike you want. Make a note of the cost (including VAT) and ask the shop for a written quote.
2. Select the value of the bike and equipment you require on the ( ). This amount will be your voucher value.
3. You will then be required to agree to a salary sacrifice agreement
4. You will then be sent a hire agreement which will need to be signed and returned to ( ).
5. Once the hire agreement has been returned, Cartridge Save will pay ( ) invoice for the full value of the selection
6. ( ) will then issue the voucher directly to you at your address. 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.

At the end of the 12 month period you will be invited to either return the equipment or pay the holding deposit directly to ( ). Transfer of ownership of the bike/equipment to you will be made automatically 43 months after the salary sacrifice took effect.

### **Withdrawing from the scheme**

You may withdraw from the scheme within 14 days of receiving the agreement. After this time you will not be able to withdraw from the scheme during the 12 month hire period.

### **Employee Responsibilities**

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

If you cease to be employed by Cartridge Save before the end of the hire period, you are obliged to pay the outstanding balance from your net pay which will be deducted from your final pay.

Responsibility for 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 and you will still be required to either pay the holding deposit to ( ) or return the equipment to them.



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