

APPENDIX 3

Lincolnshire County Council Cycle to Work Scheme

Save money, get fit and reduce your carbon footprint!

The Cycle to Work scheme is a government initiative that encourages alternative travel and reduces our environmental impact. Not only does it reduce your carbon footprint, but also allows you to spread the cost of getting a new bike and/or safety equipment, save on Income Tax and National Insurance and increase your fitness.

Lincolnshire County Council is offering this benefit through Cyclescheme - the leading provider of Cycle to Work schemes in the UK. The benefits of the scheme are clear to see:

- **Huge** savings on the cost of a new bike and/or safety equipment.
- **Spread the cost** over a year and **save** on your Income Tax and National Insurance contributions.
- Choose from **over 500 brands** from over **1900 partner stores** across the UK.
- **Market leading** End of Hire process, ensuring the **best savings**.

How does the scheme work?

You will pay for the cost of your bike by way of a salary sacrifice arrangement under a Hire Agreement between you and Lincolnshire County Council. This means that you agree to forego an amount from your salary each month in return for the benefit of a bike and /or safety equipment.

Savings are made because salary sacrifice reduces your gross pay. This, in turn, reduces the amount of Income Tax and National Insurance that you pay each month. Savings are dependent on your personal tax code but will usually be around 32-42% over the hire period.

To avoid HMRC viewing the tax savings as a Benefit in Kind, HMRC require employees to make a market value payment (typically 3-7%) at the end of the hire.

How do I get my bike?

Step 1. You can check you savings and find your local partner store online at www.cyclescheme.co.uk/d71c0c

You will then need to visit your chosen store to select your bike and equipment. The store will give you a written quote.

Step 2. You apply for your Cyclescheme Certificate back at www.cyclescheme.co.uk/d71c0c , entering the details from your quote form. You will be required to sign your online Hire Agreement at this time.

Step 3. If your employer approves your application they will countersign the Hire Agreement and payment will be processed - This can take up to 4 weeks, but is usually a lot quicker.

Step 4. Cyclescheme will then send you your Certificate – this will either be by email or in the post, depending on what type of Certificate you have requested.

Step 5. The Certificate is then redeemed in the bike shop and exchanged for the bike package.

Step 6. At the end of the hire period Cyclescheme will contact you to discuss your end of hire options. The most attractive option is to pay either 3% (if your bike package was under £500) or 7% (if your bike package was over £500) of the original cost to enter into a 3 year extended agreement with Cyclescheme. During this agreement you will not be expected to make any further payment and ownership of the bike will transfer to you at the end. You may change employers during the agreement or use the scheme again if you wish.

FAQs

What is the maximum I can spend?

The limit set for employees is £1000.

Can I buy a Bike above the £1000 threshold and pay a contribution to LCC?

The County Council's corporate stance is that this is not possible.

Can I get equipment-only through the scheme?

Yes, you may request equipment-only through the scheme but only if you do not have an existing salary sacrifice in place for a bike. Useful if you have already got a bike!

What equipment can I get?

- Lights, including dynamo packs
- Locks and chains
- Mirrors and mud guards
- Children's seats
- Reflective and high-visibility clothing and accessories
 - Inc. straps, luggage covers, gloves, spoke reflectors
- Helmets
- Panniers, luggage carriers and straps, and bags
- Pumps, puncture repair kits and cycle tool kits

This list is by no means exhaustive; if in doubt please contact Cyclescheme.

Component bike parts are not allowed through the scheme.

Who is responsible for maintaining the bike and what happens if it is stolen?

It is your responsibility to maintain the bike. Cyclescheme Partner Shops will be able to advise about maintenance and servicing depending on how the bike is used and stores offer a free first service, usually after 6 weeks. If the bike is stolen, as long as you replaces the bike and continues to use it mainly for commuting purposes, the salary sacrifice reductions can continue as normal.

Cyclescheme strongly recommend that you insure the bicycle and safety equipment as soon as it is collected from the store. Through your MyCyclescheme account you can access discount on cycle insurance with Cycleguard,

Does the bike have to be used for commuting?

You should use the bike mainly for commuting to and, if relevant, between work places (at least 50% of the bike's use should be for work purposes). However, the bike can also be used for non-work purposes and there is no need for you to keep a mileage log.

Can I request a Certificate if I work part time?

Details of who can use the scheme are shown below. Please note that the HMRC tax regulations require that you must earn more than the national minimum wage after the loan repayment has been deducted to claim the tax benefit. Depending on the number of hours you work and your pay and the cost of the bike you have chosen you may find that you are not eligible to receive the tax benefit. The website has an online savings calculator to help you assess your position; alternatively you can contact the helpline for advice.

Who can use the scheme?

You may apply for a Certificate if you fulfil these conditions:

- you are a County Council employee (see below if you work in a school) and are paid by the council payroll provider Mouchel.
- are aged 18 or over and have a contract which outlasts the duration of the Hire Agreement
- you agree to use the bike mainly for commuting (you may use it for leisure as well)
- after salary sacrifice deductions have been made, your salary must remain above the minimum wage

If after deductions your salary falls below the minimum tax threshold you would not be entitled to tax savings.

If you work in a school you may join the scheme providing:

- Your school has a Direct Service Agreement (formerly buy-back) with the Council for a payroll service delivered through Mouchel.
- Employees in non direct service schools (own bank account/prime account) and/or who have separate agreements for payroll delivery either with Mouchel or other payroll providers, may still be able to join Cyclescheme direct by their school joining the small client service and through discussions with their payroll provider.

- Schools where the governors are the employer e.g. Foundation or Aided schools, may have chosen not to be part of the scheme by notifying the Scheme Administrator.
- If you are unclear about the position of your school you should ask the school's finance administrator or e-mail the Scheme Administrator at the Council on EmployeeBenefits@lincolnshire.gov.uk.

Can I request a Certificate if I have a contract car hire agreement?

You must consider whether you can comply with the requirement of the scheme to use the bike mainly for commuting alongside your other terms and conditions of service. For example, if the reason you have a contract car hire agreement for business use during work times you are unlikely to be able to comply with using your bike for commuting.

Can I claim mileage rates if I use my bike?

You are not entitled to claim the County Council's cycle allowance during the initial or extended Hire Agreement period i.e. until ownership is formally transferred to the employee.

Can I cancel the scheme?

A cancellation is only possible if you have not signed the hire agreement. You will need to notify Cycle Scheme Ltd. And then send the certificate to People Management at Lincolnshire County Council.

What happens if I leave my job during the hire period?

Once signed, the Hire Agreement is non-cancellable following a cooling-off period of 7 working days following collection of the goods. This means that if you leave (voluntary or involuntary*) during the hire period you are obliged to pay the remaining salary sacrifice amount in full from net pay i.e. without any tax exemptions. You will be contacted by Cyclescheme regarding your end of hire options as normal.

*This includes redundancy. If you are worried this may be a factor when considering your application, please speak to your HR department.

Any Questions? Contact the team at Cyclescheme:

T/ 0844 879 5101

E/ info@cyclescheme.co.uk

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