

Hire Agreement regulated by the Consumer Credit Act 1974

Parties to agreement

The Employer/Owner (name): Lincolnshire County Council,	Employee name: «First_name» «Last_name»
Employer Address: County Offices, Newland, Lincoln, Lincolnshire	Home Address: «Address_1», «Address_2», «City», «State»
Postcode: LN 1 1 YL	Postcode: «Postcode»

Key Financial Information

Description of Goods

Bicycle and related safety equipment to the value of £«Voucher_value»

Advance Payments

No advance payment is required

Hire payments

«Total_payments» payments of [£«Each_payment»] made on a «Salary_frequency» basis, payable by way of a reduction to your gross salary. Your rental payments will commence when notified to you within your payslip, usually from the first salary payment following the collection of the bicycle and related safety equipment (the "Equipment") by you or as otherwise notified on your payslip.

Other payments

Termination Fee:

If you cease employment with the Employer, the Hire Agreement will be terminated and the tax exemptions available under the 'Cycle to Work' scheme will no longer be available. You will be required to pay a termination fee of an amount not exceeding the outstanding monthly hire payments and calculated as set out above. The termination fee will not benefit from any tax exemption and will be collected by the Employer from any remaining net salary payments. Should this not be possible for any reason, or the outstanding liabilities exceed any remaining net salary payments, the Employer will require settlement of any outstanding liabilities.

Duration of Hire

«Hire_period» months from the date of the commencement of your salary sacrifice. The Hire Period is fixed and cannot be changed, subject to the provisions in the attached Terms and Conditions of the Hire Agreement concerning absence from work.

Key Information

If you default on your obligations under the Hire Agreement the Employer may recover from you its reasonable legal, administrative and other costs and expenses incurred in enforcing its rights under this Hire Agreement. Your attention is also drawn to:

- Section 7 in the Terms and Conditions attached to this Hire Agreement, which sets out your obligations in relation to any Equipment which is lost, stolen or damaged;
- Section 8 in the Terms and Conditions attached to this Hire Agreement, which sets out your obligations in relation to any periods of absence from work;
- Section 9 in the Terms and Conditions attached to this Hire Agreement, which sets out your obligations under this Hire Agreement on termination of your employment.
- Section 10 in the Terms and Conditions attached to this Hire Agreement, which sets out your obligations to care for the Equipment whilst it is in your possession prior to and upon Cancellation of the Hire Agreement under Section 10.

Cancellation Rights

You have a right to cancel this agreement upon the later of 14 days from the date you receive an email containing a link to the fully approved and executed agreement under the Consumer Credit Act 1974, or within 7 working days beginning with the day after you have collected/received the Equipment under the Consumer Protection (Distance Selling) Regulations 2000. You may cancel this agreement within that period by giving written notice to the employer listed at the address above. Return of any collected/received Equipment will be at your own cost and risk. If you cancel this agreement and a salary reduction has been applied under the agreement, the Employer will include the value of the sum of any salary reductions made in your gross salary at the next date your salary is due to be paid. For further details, you are referred to Section 10 of the Terms and Conditions attached to this agreement.

MISSING PAYMENTS

Missing payments could have severe consequences and may make obtaining credit more difficult.

IMPORTANT - READ THIS CAREFULLY TO FIND OUT ABOUT YOUR RIGHTS

The Consumer Credit Act 1974 covers this agreement and lays down certain requirements for your protection which should have been complied with when this agreement was made. If they were not, the owner cannot enforce this agreement against you without getting a court order. If you would like to know more about your rights under the Act, contact either your local Trading Standards Department, or Citizens' Advice Bureau. The Office of Fair Trading, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX is the supervisory authority under the Consumer Credit Act 1974.

This is a Hire Agreement regulated by the Consumer Credit Act 1974. Sign it only if you want to be legally bound by its terms.

Signature of hirer:

Date of signature:

Under this agreement the goods do not become your property and you must not sell them.

Name of Hirer: <<CapturedName>>

Print name: <<AdministratorName>>

Email Address: <<CapturedEmailAddress>>

Email Address: <<AdministratorEmailAddress>>

Date of signature: <<DateOfTickBox>>

Date of signature:<<DateOfOrderedStatus>>

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IMPORTANT: You must read this carefully. This agreement details your rights and responsibilities and is legally binding upon you. You are strongly advised to obtain independent advice on any aspect of this agreement you are unsure of.

Terms & Conditions

1.0 Introduction

This Agreement is in two parts: the front page setting out various items of key information including the payments you will have to make and these terms and conditions. It sets out the basis on which the Employer (as detailed on the front page) will allow you to hire and use the bicycle and (if applicable) safety equipment hired by you under this agreement (the "**Equipment**") for the purpose mainly of commuting between your home and workplace, or between different workplaces in connection with your employment ("**Commuting**").

This Agreement also varies your terms and conditions of employment. Specifically, it sets out the terms on which you agree to give up part of your entitlement to salary in return for the non-cash benefit of being provided with the Equipment ("**Salary Sacrifice**") - please see section 4 (Salary Sacrifice and Hire Period) below for more details.

The Employer has contracted with a company called Cyclescheme Ltd to administer its Cycle to Work scheme and provide you with access to a broad range of bike shops (known as "**Cyclescheme Partner Shops**") from which to obtain the Equipment.

2.0 Eligibility

The intention is that by entering into this Agreement you will be entitled to take advantage of an exemption from income tax and National Insurance contributions in relation to the payments you make under this Agreement.

To be eligible for these exemptions, the following conditions will need to be satisfied:-

- the Equipment that you hire from the Employer must be a bicycle or a bicycle and related safety equipment;
- You must be 18 years of age or over
- you must be a UK PAYE taxpayer;
- you must remain in employment for the duration of the agreed "Hire Period" (see section 4 below); and
- you must use the Equipment mainly for commuting, although you are entitled to use it for other purposes as well;

If any of these conditions are not or cease to be satisfied, or the law changes, you may find that you are no longer eligible as a result for the relevant exemptions and the Employer may be required to treat the provision of the Equipment as a taxable benefit.

3.0 Obtaining the Equipment

After entering into this Agreement, you will be provided with a Cyclescheme Certificate (a "**Certificate**") for the value of the Equipment, as set out on the front page of this agreement.

The Certificate cannot be returned or transferred to anyone else or its value altered once it has been issued to you [and you must collect the Equipment within 60 days from the date the Certificate is issued to you].

If you obtained a quote from a Cyclescheme Partner Shop before applying for a Certificate you may only use the Certificate to obtain the Equipment you received a quote for, as detailed in this Agreement, unless the relevant Cyclescheme Partner Shop agrees to provide you with an alternative bicycle and/or item of bicycle safety equipment. If this happens, please note that:-

- these alternative items will then be treated as the "Equipment" under this agreement;
- the value of an alternative bicycle must not exceed the value of the Certificate;
- if the value of the alternative Equipment is lower than the value stated on the Certificate, you will not be entitled to any refund in relation to the difference;

To collect the Equipment, you must present the Certificate in person, along with an acceptable form of photographic identification (Employee ID card, Passport or Driving Licence), at your chosen Cyclescheme Partner Shop.

Before visiting the Cyclescheme Partner Shop to collect the Equipment though, please check that it is available for collection. The Equipment should be made available for collection within a reasonable time, but any specific collection dates given by the Cyclescheme Partner Shop at the time of giving you a quote are not guaranteed.

4.0 Salary Sacrifice and Hire Period

By entering into this Agreement you agree to hire the Equipment from the Employer for a minimum period of «**Hire period**» months from the date of the commencement of your salary sacrifice (the "**Hire Period**"). In return for the Employer agreeing to hire you the Equipment for the Hire Period, you agree to make the payments detailed on the front of this Agreement on a Salary Sacrifice basis.

To be eligible to make the Salary Sacrifice payments detailed on the front page of this Agreement, your salary, after the Salary Sacrifice, must remain above the National Minimum Wage.

If at any point during the Hire Period, your salary falls to a level that would mean if Salary Sacrifice payments were to be made, it would be below the National Minimum Wage, the Employer reserves the right (to the extent it is lawfully entitled to do so) to suspend those payments or to deduct them from your net rather than your gross salary (meaning that you may lose your entitlement to potential tax benefits as a result) until your salary increases sufficiently.

The Salary Sacrifice may affect the level of any personal pension contributions you make or any sick pay or other pay or benefits that you may be entitled to. Please check with the Employer before signing this Agreement if you have any queries in this respect.

At the end of the Hire Period you will need to discuss with Cyclescheme what is to happen next.

At the end of this initial 12 month hire period you may be invited to complete an 'Extended Hire Agreement' with no further salary sacrifice payments

5.0 Your responsibilities

During the Hire Period:

- the Equipment remains the property of the Employer and you may not profit from, transfer, sell or otherwise dispose of the Equipment;
- you must retain possession of the Equipment and use it mainly for Commuting, although use for other secondary purposes is permitted;
- once collected from the Cyclescheme Partner Shop, you will be responsible for any loss of or damage to the Equipment which subsequently occurs, except where this is caused by a defect in the Equipment - see sections 6 (Defective Equipment) and 7 (Lost, stolen or damaged Equipment) below;
- you must ensure the Equipment is used safely and maintained properly in accordance with any instructions provided by the manufacturer(s) of the Equipment and/or by the relevant Cyclescheme Partner Shop.

6.0 Defective Equipment

The Equipment should be covered by warranties given by the relevant manufacturers (or their importers), as well as by any additional warranties that apply under the general law and nothing in this Agreement affects the rights that you have under the general law.

If any Equipment is damaged when you go to collect it from the Cyclescheme Partner Shop, or if any defects or other warranty issues subsequently come to light, please contact the relevant Cyclescheme Partner Shop in the first instance.

7.0 Lost, stolen or damaged Equipment

You bear the entire risk of loss, theft, damage to or any destruction of the Equipment. If at any time during the Hire Period, the Equipment (or part of it) is lost or stolen, or damaged to the point of no longer being usable for Commuting, you will still be responsible for making any remaining payments due under this agreement for the remainder of the Hire Period. If you replace the Equipment this will be at your cost and if you agree this in writing with the Employer, you will still have the benefit of the tax exemptions referred to in section 2 (Eligibility). Where this happens, you will continue to make the remaining payments out of your gross salary and any replacement equipment shall remain the property of the Employer.

You are strongly advised to obtain specific insurance for the Equipment, or otherwise ensure it is covered by your home contents insurance policy. You must inform your insurer that the Employer has an interest in the Equipment.

8.0 Absence from work

If you are absent from work during the Hire Period the payments detailed on the front page of this Agreement will continue to reduce any pay you receive during the period of your absence, as long as and to the extent that:

- the pay is of a kind against which Salary Sacrifice reductions can legally be made and so excluding for example (but without limitation) , statutory maternity pay, paternity, adoption and sick pay; and
- the continuation of salary sacrifice arrangements is not in breach of the National Minimum Wage regulations.

If during a period of absence from work you are temporarily not in receipt of sufficient pay so as to allow for the Salary Sacrifice to continue, but you remain an employee of the Employer, then to the extent allowable by law:

- the Salary Sacrifice payments envisaged by this Agreement will be suspended for the period in question; and
- the Hire Period will be extended for an equivalent period of time to allow payments to be made-up once you return to work.

However, the Hire Period will not be extended for more than [6] months beyond an initial [12] month hire period and if after 18 months from the start of the Hire Period, any payments under this Agreement have yet to be made, the full balance (i.e. the total of all payments yet to be made) will, to the extent allowable by law, become payable to the Employer. The Employer may seek to deduct this from any future net salary payments due to you or, if the Employer decides otherwise, you may be required to pay the outstanding balance in a single lump sum within 14 days of request. In any case, you will no longer be entitled in respect of the balance to the tax exemptions referred to in section 2 (Eligibility);

If your employment ceases before the end of the Hire Period then:

- to the extent that the Employer is legally allowed to recoup any payments missed during a period of absence, the termination fee payable under section 9 (Leaving your employment) will include all those missed payments;
- to the extent that the Employer is not legally allowed to recoup payments missed during a period of absence, those missed payments will be disregarded for the purposes of section 9 i.e. the termination fee will be calculated as if you had in fact made all those payments.

For the avoidance of doubt, the provisions of this section 8 will apply in circumstances where you are unable to reach any alternative agreement with the Employer at the time as to how a particular period of absence should be dealt with.

9.0 Leaving your employment

If you leave your employment, you will no longer be entitled to benefit from the tax exemptions referred to in section 2 (Eligibility) above.

Consequently, if your employment with the Employer ceases for any reason during the Hire Period you will, subject to section 8 (Absence from work) above, be required to pay a termination fee to the Employer equal to the total of all payments under this Agreement (as set out on the front of this Agreement) yet to be made. This fee will not benefit from any tax exemptions and will be payable as follows:-

- if the fee is less than any remaining net salary payments due to you, the Employer will seek to deduct it from those remaining payments;
- if this is not possible for any reason, or the fee exceeds your remaining net salary payments, you will be required to pay the fee (or any outstanding balance) to the Employer within 14 days of the date on which your employment ceases.

At this time you will also need to discuss with Cyclescheme what is to happen next.

10.0 Cancellation Rights

You have a right to cancel this agreement upon the later of 14 days from the date you receive an email containing a link to the fully approved and executed agreement under the Consumer Credit Act 1974, or within 7 working days beginning with the day after you have collected/received the goods under the Consumer Protection (Distance Selling) Regulations 2000. You may cancel this agreement within the later period by giving written notice to the Employer listed at the top of the attached Hire Agreement, under 'Parties to agreement'.

If you wish to cancel the agreement you must send or take written notice of your wish to cancel the agreement to the Employer at the postal address listed at the top of the attached Hire Agreement, under 'Parties to agreement'.

If you have not redeemed the Certificate when you cancel the agreement you must take or send the original Certificate to the Employer at the postal address for the Employer set out in the Hire Agreement under 'Parties to agreement'.

If, at the date you cancel the agreement, you have redeemed the Certificate and collected the Equipment you should not use the Equipment and keep it safe. (Legal action may be taken against you if you do not take proper care of the Equipment.)

On receiving the cancellation notice from you, the Employer will send you a written request, requiring you to return the Equipment in satisfactory condition to the Cyclescheme Partner Shop from which you collected the Equipment, within 10 Business Days of the date of the written request.

If a salary reduction has been applied under the agreement by the date you cancel the agreement, the Employer will include the value of the salary reduction made in your gross salary, at a future date your salary is due to be paid.

11.0 Data Protection

By entering into this Agreement, you will be authorising the Employer to use, and pass to Cyclescheme Ltd and the relevant Cyclescheme Partner for them to use, personal information about you to the extent necessary to administer the arrangements described in this agreement. The Data Protection Act 1998 will apply to that information.

12.0 General

The Employer will not have any responsibility under this Agreement if it is delayed in performing, or fails to perform, any of its obligations under this agreement as a result of any circumstances beyond its reasonable control.

The Employer intends to rely upon the written terms set out in this agreement. If you require any changes, please make sure you ask for these to be put in writing.

This agreement is governed by English law.