

Cycle to Work Scheme

Q&As

Why is the University offering a bicycle under the Cycle to Work scheme?

This stems from a Government initiative to address congestion problems and encourage sustainable transport. By introducing a salary conversion scheme for the provision of bicycles, we can provide a bicycle for commuting and associated safety equipment free of income tax and national insurance.

Who can request a bicycle?

Cycle to Work is governed by HM Revenue & Customs' requirements and is open to all employees.

What are the eligibility rules?

The scheme allows the University to loan cycles and cyclists' safety equipment to staff as a tax-free benefit, providing they use the cycle for journeys made between their home and workplace, or part of those journeys (for example, to the station), or for any business travel such as journeys between one workplace and another. More than 50% of the use of the cycle and safety equipment must be for qualifying journeys.

What is a qualifying journey?

A qualifying journey is one which is in whole or in part between your home and workplace, or between one workplace and another in connection with your performance of your duties of employment with the University.

Can I apply for more than one bicycle?

Yes, providing you use both for commuting to and from work. For example if you travel to work partially by train, then you could have one to commute between your home and another to travel from the train's destination to your work location.

Can I get a bicycle for my family member/child/partner etc?

No, the bicycle is for your use and must be suitable for commuting purposes

What value of bicycle equipment can I request?

You can request a 'Cycle to Work' voucher with a maximum value of £3,000. The voucher will be supplied by our provider, Cyclescheme. You will be able to visit any participating store to receive a quotation for cycle and safety equipment.

What happens if the cost of the bicycle is more than the voucher?

You may contribute additional money of your own to the total purchase price, but please remember the equipment will still remain the property of the University during the Hire Agreement.

What happens if the cost of the bicycle is less than the voucher?

Should the value of the bicycle and safety equipment chosen by you be less than the value of the voucher issued no reimbursement of the difference will take place. You should therefore consider your quotation carefully to ensure you select the correct value of voucher for your needs.

Can I claim business mileage allowance whilst using my bicycle?

No, business mileage cannot be claimed when using a bicycle through the Cycle to Work scheme.

What happens to the cycle at the end of the loan period?

At the end of the hire period ownership of the bicycle and any equipment will revert to Cyclescheme. Therefore, at the end of each individual hire agreement period, Cyclescheme, are wholly responsible for the administration and monies collected for each individual transfer of ownership.

- At the end of the hire period with Aston University you may be given the option to take ownership of the bicycle or extend the period of use with Cyclescheme. The appropriate market value will be calculated using HMRC's Valuation Table;
- You can opt to have continued use of the bicycle for a period of up to 4 years without the ownership transferring to you, in return for a one-off payment of the 'Continuation Deposit'
- Extending the period of use reduces the value of the Bicycle in line with the 4 year valuations in HMRC's table of 3% and 7% including VAT (depending on the original value of the equipment (below or above £500 respectively));
- If you choose to sign an Extended Use Agreement with Cyclescheme you may be given the option to take ownership of the bicycle at the end of the extended use period;
- You are free to participate in the scheme again once your initial hire period with Aston University has ended, even if you sign an Extended Use Agreement with Cyclescheme;
- No guarantee of offer of ownership can be given to you at any point before or during the initial hire period with Aston University, or once you have entered into an Extended Use Agreement with Cyclescheme.

To read the Cyclescheme 'Extended Use Agreement with Continuation Deposit' Process – Advice for Employees plus FAQs and to see an illustration of how the market values differ from previous calculations please click on the link below:

<http://emails.cyclescheme.co.uk/files/endofhirefaqs.pdf>

What safety equipment can be selected?

Cyclist's safety equipment including the following can be selected:

- § Cycle helmets which conform to European standard EN 1078
- § Bells and bulb horns
- § Lights including dynamo packs
- § Mirrors and mudguards to ensure riders visibility is not impaired
- § Cycle clips and dress guards
- § Panniers, luggage carriers and straps to allow luggage to be safely carried
- § Locks and chains to ensure cycle can be safely secured
- § Pumps, puncture repair kits, cycle tool kits and tyre sealant to allow for minor repairs
- § Reflective clothing, along with white front reflectors and spoke reflectors

Do I have to pay tax and NI on the benefit?

No, Cycle to Work is not a taxable, or subject to National Insurance, benefit provided you meet the terms of the Hire Agreement and will not be reported as a taxable benefit to the tax office.

What happens if I can no longer use the bicycle to commute to work?

If for any reason you can no longer use the cycle for qualifying purposes – i.e., more than 50% of its use being business travel, including commuting - during the period of the loan, it is your responsibility to inform the University of the reasons for this. This may be because you have become medically unfit or move home. If this is the case then the University will decide in its absolute discretion that you no longer adhere to the HM Revenue and Customs' rules for the scheme. If the University terminates the Hire Agreement in these circumstances, you will no longer be in possession of the cycle with the University's consent and you will be liable to pay an early termination charge to the University, which will not exceed a value equal to the outstanding monthly contributions. This early termination charge will be collected by the University in the month in which you become ineligible for the benefit. At the expiry or earlier termination of the Hire Agreement you should contact Peter Brookes ext 4582 for instructions on returning your cycle.

What happens if I leave?

If you leave the employment of the University before the end of the minimum Hire Term, you will be liable to pay an early termination charge to the University, which will not exceed a value equal to the outstanding monthly contributions. This early termination charge will be collected by the University from any remaining net salary payments due to you, but if you have insufficient net pay to cover this balance, you agree to provide the University with a cheque for the balance within 10 days of the University's first demand. At the expiry or earlier termination of the Hire Agreement you should contact Peter Brookes for instructions on returning your cycle.

How do I order my bicycle?

Find out how you can participate in the scheme, please visit the site of our on-line provider, www.cyclescheme.co.uk or telephone 01225 448933, whilst ordering online you may need to enter the Employer code which is 'beb9a'. If you do not have access to a personal computer please contact Peter Brookes ext. 4582, Pensions & Benefits Officer for assistance.

Do I have to insure my bicycle and equipment?

You will need to insure the bicycle for its retail value against loss, accidental damage and third party risks. You need to ensure that the cycle is maintained in accordance with manufacturer's recommendations to ensure validity of the insurance.

Is the University liable if I have an accident?

No, the University does not accept liability of any kind and disclaims all responsibility for any liabilities, losses, costs, expenses, damage, injury or other consequences arising out of or in connection with the provision of the cycle and/or 'Cycle to Work' arrangements.

When can I request the benefit?

You can request the benefit at any time.

What type of bicycle can I select?

The tax exemption defines a "cycle" as 'a bicycle, a tricycle, or a cycle having four or more wheels, not being in any case a motor vehicle' (192(1) of the Road Traffic Act 1988 (c.52)). An electrically assisted pedal cycle can be included under the scheme. In all cases the cycle must be suitable for an adult.