

# Frequently asked questions

## Who owns the equipment?

The legislation that governs a cycle to work scheme states that the Employer must own the equipment. There can be no automatic right for the Employee to own the equipment at the end of the Agreement. If they do, they cannot claim the tax exemption. Therefore a cycle to work scheme operates as a loan: the Employer is technically loaning the equipment to the Employee for a fixed-period of time. Although employees do not actually own the equipment, they remain custodian of the equipment and are free to use it as they wish, providing it is mainly for cycling to work.

## Can I select more than one bike?

Your scheme criteria will determine whether this is allowed. However the legislation does not prohibit the selection of two cycles providing that both are used for commuting to work. For example, you may have a summer route and a winter route to work, both requiring different things from a bike.

## What if I already own a bike - why would I want a new one?

Your old bike needn't be redundant. You may find that as you start to cycle more and more that you need a bike with higher quality componentry, which will allow you to ride more efficiently. You may also sometimes take different routes when travelling to work, i.e. a summer route and a winter route, which might benefit from a different type of bike for each journey.

## What is the maximum value of equipment I can obtain through cycle2work?

The Office of Fair Trading has issued a Group Consumer Credit License allowing any employer to run a cycle2work scheme. The license allows you to hire equipment up to the value of £1,000 inclusive of VAT. Please note your scheme criteria will determine the maximum value that you are able to apply for.

## Can a Letter of Collection be used to get a bike for a family member, partner or friend?

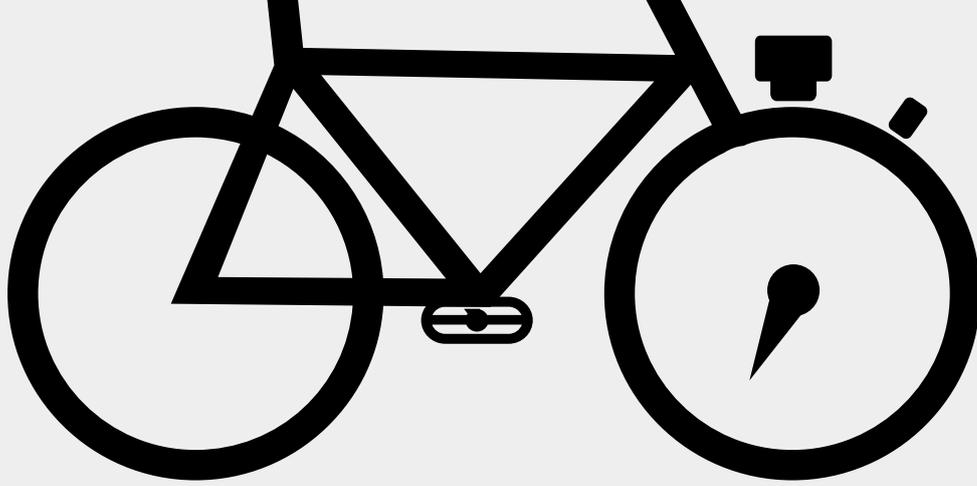
No. The cycle must be used by you, mainly for commuting to work. For example: journeys made between the home and workplace, or part journeys (e.g. to the station), or for journeys between one workplace and another.

## What happens at the end of the scheme?

Your employer aims to ensure that your savings are maximized throughout the scheme. At the end of your Hire Term your employer may offer the option to take ownership of the equipment. If the employer transfers the ownership to you at no cost you would be receiving a benefit in kind, which is taxable. P11D facilitates the payment of tax whilst maximising the savings, By applying the amount to your P11D you will only pay tax on the market value as calculated from HMRC Guidance.

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### How long do I have to apply for the scheme?

Your employer will decide the closing date for the scheme. You will usually have about four weeks to select and order your Letter of Collection, but, to avoid missing the deadline, why not do it now?

### Can the Directors have better or more equipment?

No. Under the cycle2work rules Directors cannot be offered cycle2work on preferential terms.

### Will a salary sacrifice affect my entitlement to benefits?

Possibly, although in most cases the effect is likely to be small. However, you need to be aware of the implications of paying less tax and NI contributions and accepting a reduced salary. It is recommended that you seek professional advice if you have any concerns or need more information.

### If I decide not to participate in the scheme now, can I join later?

Depending on the success of this year's scheme, your employer may choose to repeat it in the future. However, your employer cannot guarantee that there will be another opportunity to participate.

### Where can I get my bike and cycling safety equipment?

Halfords has the largest selection of cycles and cycling safety equipment in the UK. Look at our huge range of top brand products

/ In our network of 465 shops

/ [www.halfords.com](http://www.halfords.com)

/ From one of our 700+ partnered independent bike retailers

Call 0345 5046444 for details of the shops in your area.

Still can't find what you are looking for? You can contact the Halfords cycle2work team with details of your requirements and they will be happy to suggest the options available.

### What if my bike gets stolen/accidentally damaged?

It is recommended you obtain separate insurance, or check your bike is covered under your home contents insurance policy. If your home contents insurer covers the bike, you must inform them that your Employer (or their nominated agent) owns the bike. Payments will not stop or be suspended due to loss or damage to the bike.

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## What equipment is available?

Cycles and cyclist's safety equipment are included. 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 (c52.)). An electrically assisted pedal cycle can be included under the scheme. Cyclists' safety equipment is not defined in the legislation and a common sense approach should be taken when selecting it. This could include: cycle helmets which conform to European standard EN 1078,

- / Bells
- / Bulb horns
- / Lights including dynamo pack
- / Mirrors and mudguards to ensure the riders visibility is not impaired
- / Cycle clips
- / Dress guards
- / Panniers
- / Luggage carriers and straps to ensure luggage is carried safely
- / Locks and chains to ensure cycle can be safely secured
- / Pumps
- / Puncture repair kits, tool kits and tyre sealant to allow for minor repairs
- / Reflective clothing
- / White front reflectors and spoke reflectors

## What if an Employee leaves early or is made redundant?

If you leave before the end of the hire period, you must pay your employer the balance of the amount still to pay and this will be deducted from your final net pay. You may then have continued use of the equipment without further payment until the hire period expires, when you may be offered the opportunity to purchase the equipment for its then fair market value. However this transfer of ownership is the subject of a separate agreement and is not governed or influenced by the Hire Agreement you sign for this scheme.

## When can I collect my bike?

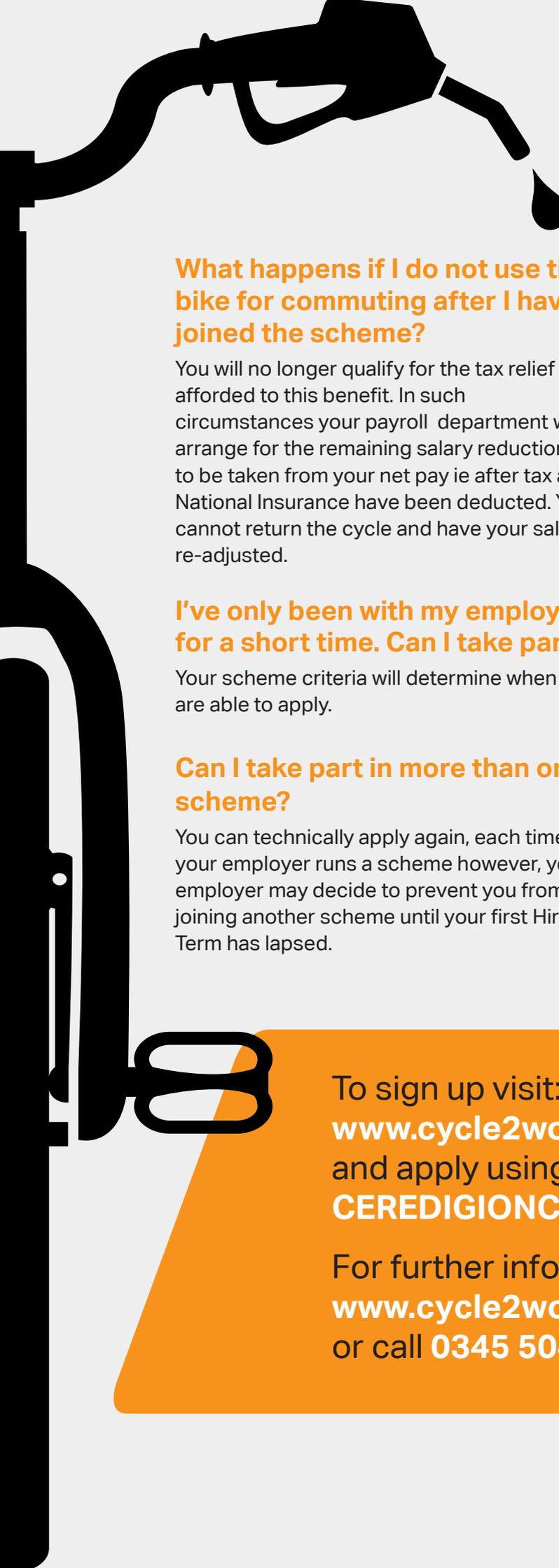
If it is in stock at your chosen Halfords shop / partnered independent bike retailer simply surrender your LoC and present a form of ID. If it is not in stock, you should request that your chosen bike is ordered into that Halfords shop / partnered independent bike retailer. Your bike will then be built and inspected by a qualified bike mechanic, ready for you to ride away.

## What if I can't get to a shop, will I miss out?

No, you can still participate. If there is not a Halfords shop / partnered independent bike retailer near your home or work, please call 0345 5046444 and Halfords can arrange to get the bike to you.

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**FOR**  
**BIKE LOCKS**

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### What happens if I do not use the bike for commuting after I have joined the scheme?

You will no longer qualify for the tax relief afforded to this benefit. In such circumstances your payroll department will arrange for the remaining salary reductions to be taken from your net pay ie after tax and National Insurance have been deducted. You cannot return the cycle and have your salary re-adjusted.

### I've only been with my employer for a short time. Can I take part?

Your scheme criteria will determine when you are able to apply.

### Can I take part in more than one scheme?

You can technically apply again, each time your employer runs a scheme however, your employer may decide to prevent you from joining another scheme until your first Hire Term has lapsed.

### Who is eligible for the cycle2work scheme?

Employers of all sizes across the public, private and voluntary sectors can implement a tax-exempt loan scheme for their employees. To maximize the benefit of implementation, it is desirable that participation in a scheme should be as broad as possible. To qualify for the tax exemption, the cycles and cyclists' safety equipment loaned by the employer under the scheme must be available to employees generally with no groups of employees excluded.

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**PEDALS**

To sign up visit:

[www.cycle2work.info](http://www.cycle2work.info)

and apply using the employer code:

**CEREDIGIONC2W**

For further information visit

[www.cycle2work.info](http://www.cycle2work.info)

or call **0345 504 6444**

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