



CYCLE TO WORK SCHEME

EPT Document Control

This policy applies to all Education Partnership Trust Schools.

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| Date agreed | July 2019 |
| Review period | Three year – July 2022 |
| Owner | Governing Body/Board of Directors |
| Lead Contact | Caroline Howarth |

1.0 Aim of the Scheme

The Cycle to Work Scheme initiative is a key element of the Government's strategy to encourage sustainable commuting and reduce the impact of commuting by car and the associated impact on air quality and the environment.

Benefits of the scheme include:

- promoting the health and wellbeing of employees
- offering an enhanced benefits package for employees
- widening and developing choice on modes of transport

2.0 Scope

The procedure applies to all employees of the Trust other than:

- employees who have a contract that will end during the hire period
- employees who do not earn more than the National Minimum Wage after the salary sacrifice

3.0 Principles

The Trust will offer eligible employees a tax-exempt hire agreement using a salary sacrifice scheme to obtain cycling equipment. Salary sacrifice means that an employee formally agrees to a reduction in their salary in order to repay the loan from the Education Partnership Trust.

4.0 Procedure

The Trust operates the Cycle to Work Scheme through a management company called Cyclescheme Limited in accordance with Inland Revenue regulations.

The scheme is a salary sacrifice scheme where an amount equivalent to the hire repayment will be deducted from the employee's salary on a monthly basis. The employee will then be exempt from deduction of tax and National Insurance contributions on the amount of the hire payment.

The minimum hire agreement value is £250, and the maximum is capped at the employee's monthly salary. The repayment term is 18 months. The employee is liable to repay the Cycle to Work hire agreement in accordance with the terms of the agreement.

Savings will vary depending on employee's earnings, amount of the hire agreement and the type of National Insurance contributions paid.

The cycle and/or equipment remain the property of the Trust throughout the term of the hire agreement.

The employee is responsible for all maintenance and associated costs for cycle equipment obtained through the Cycle to Work scheme.

The employee is responsible for ensuring that they have adequate insurance for the cycle and/or equipment as required by the hire agreement. Employees are advised to read these provisions carefully as existing insurance may not meet the hire agreement requirements.

At the end of the hire agreement period a final payment (at fair market value) will be payable to enable the employee to purchase the cycle. Alternatively, they may return the cycle to the EPT for disposal.

If the employee leaves the EPT's employment, they will be required, as part of the original hire agreement, to authorise the EPT to deduct the outstanding hire payments from their final salary and repay the loan payments in full when they leave.

Cyclescheme Details:

Further information can be found on the Cyclescheme website at www.cyclescheme.co.uk.

Employer Code - 8e10493

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5.0 Salary Sacrifice – Key Considerations

5.1 State and Statutory Benefits

The Cycle to work scheme may affect an employee's entitlement to state benefits and Tax Credits. Employees in this situation should explore possible entitlement to tax credits first before considering the salary sacrifice scheme as it is possible that there is a greater benefit in the benefit/tax credits than saving from the scheme. For more information on Tax Credits go to www.taxcredits.inlandrevenue.gov.uk or call 0845 300 3900.

The Cycle to Work scheme can also have an impact on statutory benefits such as maternity pay, sick pay and redundancy pay. Employees will need to consider this before taking out a Cycle to Work loan as statutory payments could be adversely affected.

5.2 Student Loan Repayments

Salary sacrifice may have an effect on student loan repayments. These are only activated above a set amount of earnings and if the earnings are lowered the repayment may not need to be made. For more information go to www.slc.co.uk

5.3 Pension

Employees' pensionable pay will not be reduced by receiving a Cycle to Work loan as it will be calculated using the employee's 'notional' salary (this is the full salary value before deduction for the Cycle to Work payment).

6.0 Approving Body and Date

July 2019