

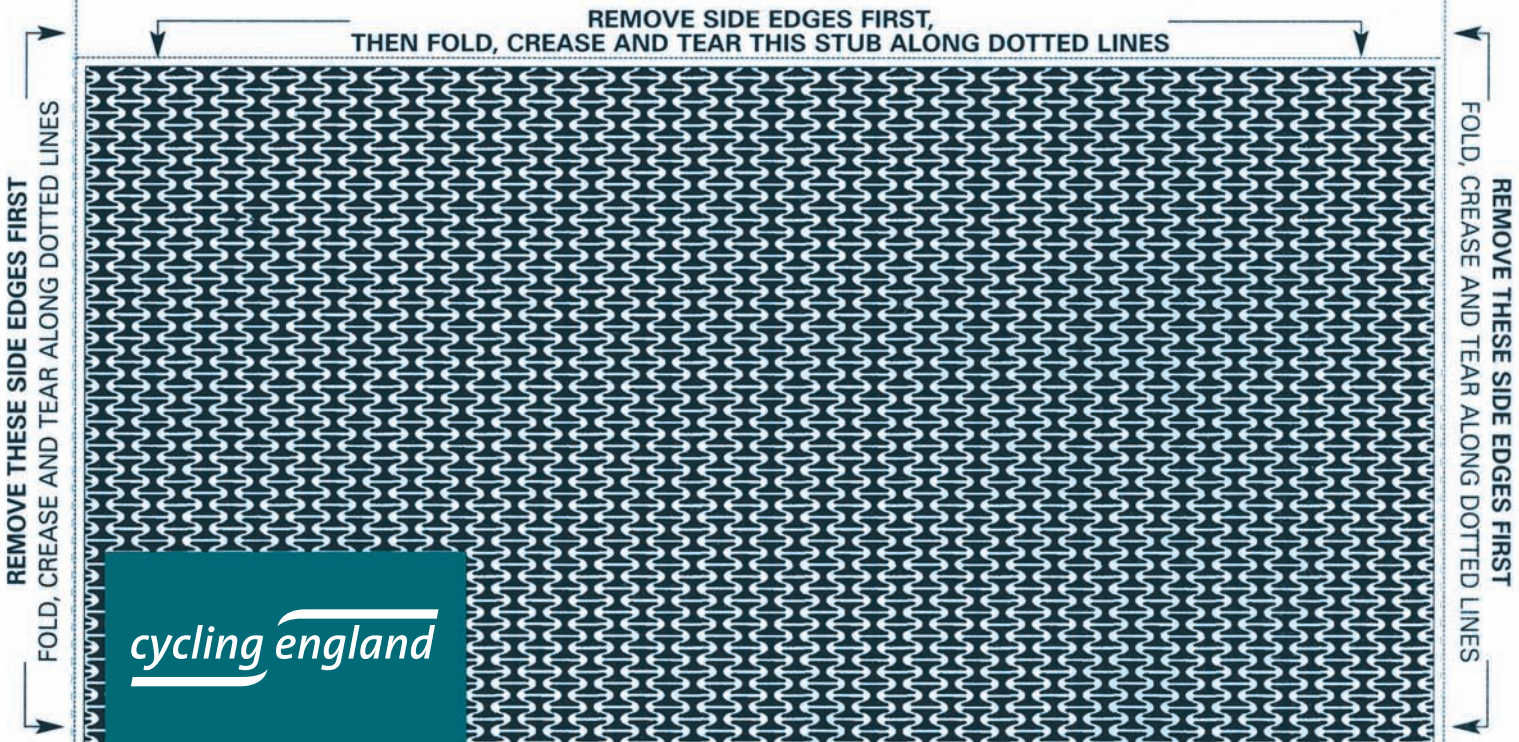
# CYCLE TO WORK ON US

## CYCLE TO WORK - AN EMPLOYEE'S GUIDE

Ask your employer about a new way to get to work quickly, get fitter in the process and save money at the same time.

With the Cycle to Work government tax break you can get the long term loan of a bike and safety equipment such as helmets, lights and reflective clothing, completely tax free.

c/c DEPARTMENT 1366/2006



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LOOK OUT FOR  
A BRAND NEW BIKE IN  
YOUR NEXT PAY PACKET



www.bikeforall.net



## WHY CYCLE TO WORK?



### You'll feel great

- Daily cycling delivers significant health benefits ranging from protection against strokes and heart disease to improved fitness and weight control

### You'll do your bit for the planet

- Cycling helps to reduce road traffic pollution and noise, it's also emission free

### You'll save money

- By cycling to work you will be saving money on petrol or train fares

### You'll save time

- The average bike journey to work in the UK takes less than twenty minutes and cycling takes you from door to door



### IT'S SAFER THAN YOU THINK

Cycling is safer than you might imagine. According to the BMJ, the benefits of cycling far outweigh the risks and the evidence shows that the more people cycle, the safer it becomes.\*

The Cycle to Work Scheme is open to all employees (although a salary sacrifice cannot be used if in doing so your gross pay drops below the National Minimum Wage). To take part, all you need to do is speak to your HR department.

### HOW MUCH WILL IT COST ME?

It depends upon how your employer wishes to run the scheme, but you are guaranteed to get the use of the bike at a greatly reduced price or even for free.

### CAN I BUY A BIKE RATHER THAN LOAN IT THROUGH THE SCHEME?

There is no automatic entitlement to purchase the bike and safety equipment because this falls outside the terms of the loan agreement and the tax exemption. However, at the end of the scheme, employers can offer their workforce ex Cycle to Work bikes for sale at fair market value under a separate agreement.

### Here's how it works

1. Under his employer's scheme, John chooses to have the loan of a bike retailing at £450
2. His employer reclaims the VAT – reducing the cost to £383
3. This net amount is met by John agreeing to a salary sacrifice whereby his gross pay is reduced by £21.28 per month over 18 months
4. The monthly net cost to John will be £14.26 because he doesn't pay tax or national insurance on the gross pay (£21.28) that he has sacrificed
5. At the end of the 18 month period John's employer offers the ex-loan bike for sale at a fair market price e.g. £50 (To establish the fair market price, employers should obtain quotes from local bike retailers as the value of the bike will partly depend on the level of use)
6. The cost to John is:
  - Net salary given up  $£14.26 \times 18 \text{ months} = £256.68$
  - Cost to buy the bike at end of the period = £50
  - Total cost to John (68% of retail price) = £306.68



### HOW CAN I FIND OUT MORE?

By talking to your HR department or for general information visit:  
[www.bikeforall.net](http://www.bikeforall.net)

So next month, make sure your pay packet won't fit in a standard envelope. Speak to your HR department today and get pedalling.

\*PL Jacobsen, British Medical Journal, '03: The likelihood that a given person walking or bicycling will be struck by a motorist varies inversely with the amount of walking or bicycling.