

Cycle to Work Scheme

Frequently Asked Questions

1. What is the Cycle to Work scheme?

The University offers a cycle to work scheme for staff operated on our behalf by [Cyclescheme](#), which allows you to make tax and National Insurance savings by means of salary sacrifice, on the hire and subsequent purchase of a bike and safety-related accessories.

For the first twelve months of the scheme you will hire your bike from Cyclescheme, and at the end of this period you will be given the option to take ownership of the bike.

2. What is a salary sacrifice scheme?

Under a salary sacrifice arrangement you give up the right to part of your salary and receive a non-cash benefit in return, which will not be subject to tax or national insurance deductions. Further details about salary sacrifice are available on the HMRC website at: http://www.hmrc.gov.uk/specialist/salary_sacrifice.pdf.

3. Who provides the Cycle to Work benefit?

NTU's Cycle to Work scheme is provided by a third party benefit-provider, [Cyclescheme Limited](#) (part of the Blackhawk Network). When you sign up to Cycle to Work, you will be asked to provide personal data to Cyclescheme Limited. When you choose 'select this benefit' on NTU's Cycle to Work website, you will be taken to the Cyclescheme website which will provide you with further information on your choices. Please take a few minutes to read Cyclescheme's [Privacy Notice](#). Cyclescheme's Employee Benefits Choice is located in Cyclescheme's wholly owned subsidiary Blackhawk Network (India) Private Limited in Bangalore – therefore any personal data you provide as part of the NTU Cycle to Work scheme will be processed by Cyclescheme Limited outside the UK/EEA.

4. Am I eligible to participate in the scheme?

You can participate in the Cycle to Work scheme if:

- You are aged over 18
- You are paid via the University payroll
- Your contract is not scheduled to end before the end of the 12 months hire period
- Your salary does not fall below the National Minimum Wage as a result of participating in this and any other salary sacrifice arrangement

5. How much can I spend on a bike and accessories?

You can select a cycle to work package (bike and accessories) up to the maximum amount of £3,500. It is not possible to add additional funds to this amount.

6. How do I select a bike on the Cyclescheme website?

1. Pick a package up to the maximum amount of £3,500.
2. Choose from the approved online or local retailers – you can decide on the retailer before or after requesting your certificate.
3. Apply for your eCertificate by completing and submitting a Hire Agreement.

4. Wait for the University to review your Hire Agreement to ensure you meet the eligibility criteria (see question 3).
5. If approved, receive your eCertificate directly from Cyclescheme.
6. Use your eCertificate in store or online to pick up your bike.

7. How are repayments made for my bike?

The Hire Agreement you have signed will be repaid via a salary sacrifice arrangement over 12 months beginning in the pay period after your eCertificate is issued; this is the hire period. These repayments will be deducted directly from your gross salary (the amount before any other deductions are made). This effectively reduces your overall pay for tax and National Insurance (NI) purposes and means that you will pay less tax and NI during the hire period.

8. What happens at the end of the 12 months' hire period?

There are three options available to you at the end of the hire period:

1. **Own your bike later** - pay a one-off deposit to Cyclescheme to carry on using your package and own it later. The deposit will become your ownership fee at the end of the extended period (normally after 4 years).
2. **Own your bike now** – you will pay an ownership fee that is the 'fair market value' as determined by HMRC. After 12 months if your bike cost under £500 this will be 18% of the cost, over £500 it's 25%. Pay this and your bike and any accessories are yours straightaway.
3. **Return the bike** – send the bike back to Cyclescheme and you don't have to pay an ownership fee.

9. When can I order a bike and any safety-related accessories?

The scheme is open all year and you can participate at any time, as long as you meet the eligibility criteria (see question 3).

10. Who owns the bike?

You will have full use of the bike during the hire period, however, in order to obtain the tax advantages, Cyclescheme must retain ownership of the bike during this period. At the end of the hire period you will be able to choose an ownership option (see question 7).

11. Can I use the bike for other purposes?

Government guidance states that at least 50% of the bike's use must be for 'qualifying journeys', i.e. commuting to work purposes. You are not required to keep a mileage log.

12 Can I get a bike for a family member?

Children's bikes and bikes for other family members or friends are not permitted through the scheme.

13. What happens if I am absent from work for a long period or deductions have not been made for other reasons?

If you are absent from work, for example on maternity, paternity, adoption or shared parental leave, sick leave or any other extended leave, you will continue to have the bike and equipment on hire during your absence and your payments will continue as normal.

If you are on reduced pay, deductions will continue to be taken from the monthly salary. If the amount in your salary is insufficient to meet the required payments, deductions from the amount available may continue. If the monthly salary increases again beyond the fixed monthly deduction, further deductions will be made to recover outstanding amounts.

If you are not being paid at all, and you start earning again within the 12 months, deductions from salary, including recovery of outstanding amounts, will immediately re-commence.

Regardless of whether deductions have been made, for whatever reason (relating to absence or otherwise), you must repay the full hire fee within the 12 months.

14. What is the tax position if I do not pay instalments exactly as agreed under the hire agreement?

If for any reason you have not made all 12 monthly payments in the amount and pattern of instalments required at the beginning of your hire agreement, in accordance with HMRC rules, you will no longer be entitled to the tax benefits on any outstanding payment. This means that any remaining payments will be taken from net salary (i.e. after the deduction of tax and National Insurance payments).

15. What if I leave before I have repaid the full amount?

If you leave for any reason before the end of the hire period of 12 months, you will be required to pay the outstanding amount of the hire before your employment finishes, and may be liable to an end of hire market value payment relevant to the age of the bike.

Any outstanding amounts outside of the agreed instalment arrangement will no longer be subject to the tax benefits. This means that any remaining payments will be taken from net salary (i.e. after the deduction of tax and National Insurance payments).

16. Will there be an impact on work-related pay benefits?

There may be an impact on your entitlement to benefit payments such as statutory maternity or paternity pay, statutory sick pay and working tax credits, as these will be calculated on your reduced salary. You are advised to consider carefully the effect that a reduction in pay may have before you decide to join the scheme.

More details on salary sacrifice and the impact on benefits are available on the gov.uk website at <https://www.gov.uk/guidance/salary-sacrifice-and-the-effects-on-payee>.

17. Will participating in the scheme affect my pension?

If you are a member of the Local Government Pension Scheme (LGPS), Teachers' Pension Scheme (TPS) or USS then employer and employee pension contributions will continue to be based on your pre-sacrifice salary. We will use a notional, pre-sacrifice, salary for pension benefit purposes, so there will be no impact on pension benefits in this period.

18. Is the bike insured by Cyclescheme?

It is your responsibility to insure the bike. Bikes may be covered by your household contents insurance and treated like any other possession so check your insurance policy. There are specialist cycling insurance providers too.

19. What happens if the bike is stolen or damaged beyond repair?

If your bike has been stolen, please email info@cyclescheme.co.uk with the following information:

- Date of the theft
- Police Station reported to
- Crime Reference number
- Confirmation of whether the bike is insured
- Whether NTU has been notified
- Whether there are any outstanding hire payments due

If your bike is lost, stolen or damaged, you will still have to complete the hire payments and potentially an ownership fee too. It is important to note that the value of the bike cannot be written off.

If your bike is stolen or damaged beyond repair, as long as you replace the bike and continue to use it mainly for commuting purposes, we can continue to deduct the payments in line with the Hire Agreement from your gross pay, which means you continue to benefit from the tax and National Insurance savings.

If the bike is stolen before it has been paid for, and it is not replaced, this means your Hire Agreement has ended and any outstanding salary sacrifice repayments will be taken from your net pay (after tax and National Insurance contributions have been deducted). This means that you cannot take advantage of the tax and National Insurance savings.

20. What do I do if I experience problems with the bike or accessories?

It is your responsibility to maintain your bike and keep it in good working order. You are able to access the Cycle Hub workshop which is open to all employees and students and includes a bike mechanic service. You can find out more through the [Cycle Hub pages](#) on My NTU.

21. Can I choose a bike that costs more than the maximum amount of £3,500?

The maximum spend for a bike and any safety-related equipment is £3,500. You cannot contribute personally towards the cost. The terms of the Scheme are that the eCertificate must be used to purchase the bike and equipment outright.

22. Can I get more than one bike?

Yes, as long as the bikes are for you, the primary use is for commuting, you select them from the same retailer and the total value is not more than £3,500, it is possible to select more than one bike.