University of Bristol Cycle to Work Scheme (the “Scheme”)

What is the Cycle to Work Scheme?

The Cycle to Work Schemes allows the University to loan cycles and cyclist equipment (“Cycling Equipment”) to its employees as a tax free benefit. Under the Scheme, you choose the Cycling Equipment; the University then buys it from Cycle Solutions and hires it to you for a 12 month hire period. The rental payments under the hire agreement are paid via a salary sacrifice through your annual salary which is included as part of the hire agreement. At the end of the 12 month initial hire period you then have the following options:

1. You can give the Cycling Equipment back
2. You may be able to buy the bicycle at fair market value (see table below)
3. You can enter an extended hire agreement. At the end of the extended hire agreement you may take ownership of the cycling equipment.

Please see section below on ‘Arrangements at the end of the 12 month loan period’ for further details.

Please note that technically under the Scheme rules at no point can either the University or Cycle Solutions commit to selling the Cycling Equipment to you. At the end of the 12 month hire period, the University will sell the Cycling Equipment to Cycle Solutions to manage the end of scheme options. Cycle Solutions may (but are not obliged) to sell the Cycling Equipment to you. The options at the end of the 12 month hire period are set out below.

Please make sure to read the all the information on this page and FAQs carefully to ensure you are clear on all aspects of the Scheme before you apply to be part of the Scheme.

The scheme is administered by Cycle Solutions, a Cycle to Work provider.

How do I take part?

1. Check if you are eligible (see FAQs) to take part and the criteria which must be met for the Cycling Equipment you wish to order through the Scheme.
   - Find and order the Cycling Equipment direct with Cycle Solutions via their webpage (10% discount), or from one of the participating local bike shops. The local participating bike shops can be found on the interactive map on the Cycle Solutions webpage - https://www.cyclesolutions.info/bristoluni - by clicking on the Local Bike Shop Orders Click Here option that is located towards the bottom of the landing page. Any bike shop on the interactive map is a participant in the scheme.

    2. If you choose to order your Cycling Equipment from Cycle Solutions you can order in the following ways:
        - online – http://www.cyclesolutions.co.uk/bristoluni
        - By telephone on 0330 100 2480

3. If you choose to order from a local shop then the order can be placed in one of two ways:
The bike shop will complete an order form with you will email it to Cycle Solutions.

You can place the order yourself by getting a quote from the bike shop, going to the University of Bristol Cycle Solutions webpage and selecting the Local Bike Shop Orders Click Here option located towards the bottom of the landing page, selecting the relevant the bike shop on the interactive map, and then clicking on the Submit Quote tab.

4. Please note this is classed as intent to order until the eligibility checks have been done by Payroll (see below).

5. Cycle Solutions may contact you by phone to ensure suitability of order.

6. If you have placed an order:

   • Direct with Cycle Solutions or a local bike shop has placed an order on your behalf, you will be sent an email or letter confirming your order with a request to visit the University’s Payroll office to read, sign and agree to terms & conditions within the hire agreement. You must visit the University’s Payroll office in person to read, sign and agree to terms & conditions within the hire agreement. **NB Please note** that it is important that you read all the documentation you receive. The University purchases the Cycling Equipment from Cycle Solutions which allows it to hire it to you but requires you to repay the University under the terms of the hire agreement by way of salary sacrifice.

   • If you have placed a local bike shop order yourself via the on-line order form on the Cycle Solutions webpage you will receive an auto-generated email with the Hire Purchase agreement attached. This email states that you should take the signed HP agreement to your HR department. This is incorrect; instead you must visit the University’s Payroll office in person to read, sign and agree to terms & conditions within the hire agreement. **NB Please note** that it is important that you read all the documentation you receive. The University purchases the Cycling Equipment from Cycle Solutions which allows it to hire it to you but requires you to repay the University under the terms of the hire agreement by way of salary sacrifice.

7. Payroll will confirm your eligibility and process your forms.

8. Once Payroll has processed the forms Cycle Solutions will contact you to organise free delivery to your preferred address if you placed an order direct with Cycle Solutions. For local bike shop orders, you need to contact the shop to establish when they have had confirmation that the Payroll process has been completed and they can release the bike to you.

The whole process should take less than two weeks. Please refer to the FAQs for a more in-depth explanation of what to expect in terms of time frames.

**Arrangements at the end of the 12 month loan period**

Just prior to the end of the initial 12 month hire period you will be contacted by Cycle Solutions to discuss the three options which are:
• **Option 1**: You may return the Cycling Equipment to Cycle Solutions. If so, they will make the necessary arrangements. This applies to both bikes ordered direct with Cycle Solutions and with local bike shops.

• **Option 2**: You may wish to purchase the Cycling Equipment at the end of this 12 month period. If so you must ask Cycle Solutions if they are willing to sell the Cycling Equipment to you. If they are you will be charged the fair market value payment as required and specified by HMRC, being either 18% or 25% of the original value as set out in the HMRC table below setting out acceptable values for the purchase of Cycling Equipment.

• **Option 3**: You can enter an extended hire agreement with Cycle Solutions for a further 60 months (5 years) beyond the completion of your salary sacrifice hire period. This extended usage agreement (which will be directly between you and Cycle Solutions) costs absolutely nothing. So you will benefit in full from the savings you make during the salary sacrifice period. If you take ownership of your bicycle and/or equipment at the end of the 5 year extended rental period, the fair market value of the bicycle will be negligible so there will be nothing extra to pay.

Table 1: HMRC Fair Market Value Table

<table>
<thead>
<tr>
<th>Age of cycle</th>
<th>Acceptable disposal value percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original price less than £500</td>
</tr>
<tr>
<td>12 months</td>
<td>18%</td>
</tr>
<tr>
<td>18 months</td>
<td>16%</td>
</tr>
<tr>
<td>2 years</td>
<td>13%</td>
</tr>
<tr>
<td>3 years</td>
<td>8%</td>
</tr>
<tr>
<td>4 years</td>
<td>3%</td>
</tr>
<tr>
<td>5 years</td>
<td>Negligible</td>
</tr>
<tr>
<td>6 years</td>
<td>Negligible</td>
</tr>
</tbody>
</table>

Please make sure to read the above information and FAQs carefully to ensure you are clear on all aspects of the scheme before you apply to be part of the Scheme. If you have queries which are not addressed in the FAQs then contact details for further information are included at the bottom of the FAQs.

**Costs and savings**

To work out roughly what your savings will be over the 12 month salary sacrifice period, you can use the online calculator (https://www.cyclesolutions.info/bristoluni) to work out your savings. Please note this does not take into account any of other salary sacrifices (such as Pension payments) which may slightly change the figures. If you needed a printed version of the calculator results please contact a member of the Transport Transport team on 0117 3317259 (transport-plan@bristol.ac.uk)
NOTE: A minority of local bike shops charge an ‘admin fee’ for getting a bike under the Cycle to Work scheme. Before placing an order with a local bike shop you may wish to check if they levy such a charge. Please note that the charging of an ‘admin’ fee is entirely at the discretion of the local bike shop and is not a requirement of them taking part in the scheme. Most local bike shops do NOT charge an admin fee.

**Worked Example of End of Scheme Options**

The University loaned a bicycle (value £800) and accessories (value £100) to Jane (annual income under £46,350) through the scheme with an original value of £900.

**Option 1**: If Jane chooses to return the Cycling Equipment at the end of the 12 months, then there would be no additional payments.

**Option 2**: After 12 months, if Jane would like to buy the Cycling Equipment then Cycle Solutions may choose to sell it to her. If she buys the bike then she would have to pay the fair market value of the Cycling Equipment, 18% - 25% the original value of the Cycling Equipment (see the above). As the bicycle and associated equipment cost £900 at the start of the scheme, she would pay £225 to purchase the bicycle. Over the 12 month hire period she paid £550.80 in monthly hire payments giving a total of £775.80 for the cost of hiring the bicycle and then to purchase it. There is therefore an overall saving of £124.20

**Option 3**: If she entered the extended hire agreement for a further 5 years, she would make no further payments. At the end of the hire period Cycle Solutions may wish to sell her the Cycling Equipment. In which case she would have the choice of buying the Cycling Equipment at fair market value (see above) which is negligible (i.e. no cost). She would have saved £349.20. She also has the choice at the end of the extended hire period of returning the cycling equipment.

**Cycle to Work scheme information in tabular form**

<table>
<thead>
<tr>
<th>Choice</th>
<th>Choose from Cycle Solutions website or from local participating bicycle stores.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From Cycle Solutions over 5000 bicycles and 140 brands are available online and can be delivered directly to the staff member’s preferred address.</td>
</tr>
<tr>
<td></td>
<td>Bicycles can also be ordered at one of the participating local stores, giving staff a variety of outlets to choose within Bristol and the surrounding areas</td>
</tr>
</tbody>
</table>

| Hire period and End of Scheme Details | 1. You can return the Cycling Equipment  
  2. You may be able to buy the bicycle at fair market value  
  3. You can enter an extended hire agreement. For further details see ‘Arrangements at the end of the 12 month loan period’ section of this document above. |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Savings made by employee | Typical saving between 26% - 38% on the cost of the bicycle and accessories (this includes a 10% discount) if bought online directly from Cycle Solutions.  

Typical savings between 20% - 32% on the cost of the bicycle and accessories from local bicycle stores listed above.  

Use their online calculator https://www.cyclesolutions.info/bristoluni to see how much you could save. Please note this does not take into account any of other salary sacrifices (such as Pension payments) which may slightly change the figures. If you needed a printed version of the calculator results please contact a member of Transport and Travel team on 0117 3317259 (transport-plan@bristol.ac.uk) |
|---|---|
| Maximum Value on bicycles and accessories | £1,000.  
You won't be able to choose Cycling Equipment of a higher value on this scheme even if you pay the extra amount outside the scheme. 'Topping up' above £1000 is not allowed. |
| Waiting period | Between 3 and 4 weeks.  
This is subject to chosen Cycle Equipment availability, for example if the Cycle Equipment you wish to order will not be delivered from the manufacturers to Cycle Solutions or the local shop before one month from the date of your order then you may wait longer than the standard 3 - 4 weeks. |
| Online application | Available |
| Extra services offered | The following features are additional benefits of the University of Bristol Cycle to Work scheme provided by Cycle Solutions:  
- Bespoke scheme website for University of Bristol.  
- Expert advice at point of choosing bicycle from Cycle Solutions.  
- Outside the Cycle to Work scheme students can benefit from a 15% discount if they buy from the online store.  
- Outside the Cycle to Work scheme a 15% discount for staff is available if they buy from the online store outright, i.e. not hiring a bike or accessories as part of the cycle to work scheme, for example if you buy a bicycle for your child. |