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

*Please note that the University no longer offers the University’s internal cycle to work scheme but those who are currently signed up to the existing scheme will be unaffected*

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.

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

Please note that 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.
2. Find and order the Cycling Equipment you would like from University of Bristol Cycle Solutions web page (10% discount) or at one of the participating local stores:
   - Bike Science (Bristol) - 0117 9273444
   - Bike UK - 0117 9293500,
   - Bike Workshop - 0117 9268961,
   - Blackboy Hill Cycles - 0117 973 1420
   - BW Cycling - 0117 927 2947
   - Electric Transport Shop - 0117 973 4046,
3. 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 0845 2799970.

4. If you choose to order from a local shop then the shop will complete an order form with you will email it to Cycle Solutions.

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

6. Cycle Solutions will contact you by phone to ensure suitability of order.

7. 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. 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.

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

9. Once Payroll has processed the forms Cycle Solutions will contact you to organise free delivery to preferred address.

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

- you may return the Cycling Equipment to Cycle Solutions. If so, they will make the necessary arrangements.
- you may wish to purchase the Cycling Equipment at the end of the 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
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>
</tbody>
</table>

• Extend the hire agreement for a further 36 months directly with Cycle Solutions. The payment due under an extended hire agreement would be the fourth year value of the Cycling Equipment i.e. 3% of the original value of the Cycling Equipment if it was less than £500 or 7% if original value was in excess of £500 (see the table set out above). **You will have nothing else to pay and no further monthly rentals.** At the end of the 36 month extended hire period, the same options that were available at the end of the 12 month hire period apply. If you want to purchase the Cycling Equipment and Cycle Solutions agree to sell, Cycle Solutions will retain the 3% or 7% payment and send you a receipt for the sale. If not, then they will arrange to collect the Cycling Equipment.

**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 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](http://www.cyclesolutions.co.uk/employee-benefits) 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 Transport and Travel team on 0117 3317205 ([transport-plan@bristol.ac.uk](mailto:transport-plan@bristol.ac.uk))

**Worked Example of End of Scheme Options**

The University loaned a bicycle (value £800) and accessories (value £100) to John through the scheme with an original value of £900.

If John chooses to return the Cycling Equipment at the end of the 12 months, then there would be **no additional payments.**
After 12 months, if John would like to buy the Cycling Equipment then Cycle Solutions may choose to sell it to him. If he buys the bike then he 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 he would pay £225, and he would have saved £63.

If he entered the extended hire agreement for 36 months, he would pay a payment of £63 (7% the original value of the Cycling Equipment). At the end of the hire period Cycle Solutions may wish to sell him the Cycling Equipment. In which case he would have the choice of buying the Cycling Equipment at fair market value (see above), and Cycle Solutions will keep his payment (£63). He would have saved £225. He also has the choice at the end of the extended hire period of returning the Cycling Equipment in response to which Cycle Solutions would return his payment (£63).
<table>
<thead>
<tr>
<th>Choice</th>
<th>Cycle Solutions</th>
<th>University Tax Benefit Scheme (No Longer offered)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice</td>
<td>Choose from website and at local bicycle stores. Over 5000 bicycles and 140 brands available online. Delivered direct to preferred address. Bicycles can be ordered at: Bike UK, Bike Workshop and Mud Dock. They are also working on adding 5 more stores that are in outskirts of Bristol. This will ensure a presence in all directions from the University.</td>
<td>You were able to choose a bicycle from any bicycle store. Limited to bicycles costing up to £800 (other schemes allow up to £1,000)</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 detail see ‘Arrangements at the end of the 12 month loan period’ section of this document. | The scheme was limited to 12 months. If you wished to keep your bicycle after this period you had to pay 18% the value of your bicycle (if the original price was under £500) or 25% (if the original price was over £500). |
| Savings made by employee                                              | Typical saving between 39% - 48% on the cost of the bicycle and accessories (this includes a 10% discount) if bought online directly from Cycle Solutions.  
Typical savings between 32% - 42% on the cost of the bicycle and accessories from local bicycle stores listed above. | Low tax & National Insurance savings. Allowed staff to spread the cost over a year.                                                      |
| **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. | £800.  
You were able to choose a bicycle of a higher value on this scheme if you pay the extra amount outside the scheme. |
| **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. | Under 2 weeks |
<table>
<thead>
<tr>
<th><strong>Online application</strong></th>
<th>Available</th>
<th>Not available</th>
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</table>
| **Extra services offered** | • Offer bespoke scheme website for University of Bristol.  
• A free mobile app which allows you to benefit from obtaining a wide range of information.  
• Offer expert advice at point of choosing bicycle from Cycle Solutions.  
• Students can benefit from a 15% discount if they buy from the online store.  
• 15% discount for staff 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. Free safety gift if staff buy through scheme. | None |