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What is a tax free bike scheme?

The Cycle to Work Scheme is a government approved scheme that allows you to hire a bike and/or safety equipment from Barnardo's for the purpose of commuting to and from work and for use at weekends and evenings. You can order your bike from any participating local retailer through **cycleplus** and from any Halfords store through **cycle2work**. The bike you hire will be provided at up to 32% less than the usual cost you would pay which can result in savings of up to £320*. [Back to the top](#)

How does it work?

You can choose a bike and/or equipment up to the value of £1,000 from a list of local bike retailers provided to you or any Halfords store. The value is spread across a period of 12 months. This is commonly known as a salary sacrifice or salary exchange scheme. You agree with Barnardo's that each month the payment will be deducted from your gross salary in return for the use of the bike and/or safety equipment you

use for commuting. This element of salary will not have Tax or National Insurance applied to it, making this a Tax free benefit. [Back to the top](#)

When can I make an application?

The Cycle to Work Scheme is only available at specified times throughout the year and will be announced on b-hive. [Back to the top](#)

Can I choose any bike?

As long as the store you choose to visit either stocks or can order the bike you want then you are not limited to any particular make or model, therefore you can choose the best bike that suits your needs and budget. [Back to the top](#)

How many times a week do I have to use my bike for work?

The bike hired through the scheme is provided on the basis that you intend to make at least 50% of your trips or part trips to work using the bike. However, there is no requirement for you to specify what days/months of the year you will do this or record trips. **N.B.** you may also use your bike for leisure and weekends and whilst you are on holiday. [Back to the top](#)

Will my pension & other State Benefits be affected?

Most pension schemes will continue to calculate your pension contributions on your original gross salary. If you are unsure, please check with Barnardo's. Effects on the S2P (formerly SERPS) are likely to be negligible (please refer to your company policy if you require further advice). Other benefits such as statutory sick pay and job seekers allowance are again unlikely to be affected. [Back to the top](#)

I'd like to join what do I have to do?

Firstly find your local participating bike shop or Halfords store. You then visit the shop and choose your ideal package. To apply for your required Letter of Collection Value, simply **call 01908 303538** or log on to [Barnardo's Benefits](#) and choose cycleplus or cycle2work. Once Barnardo's has received your application and you have been approved, a letter detailing your requested value will be sent to your home address. You then take this along to your local store to collect your bike and safety equipment. [Back to the top](#)

What happens if the bike gets stolen before the end of the agreement?

It is important that you make suitable provision to safeguard the bike. You may take a specialist insurance policy but it is often easier to add the bike to your usual household insurance policy. If the bike is stolen Barnardo's will continue to deduct the monthly value from your salary until the end of the agreement. [Back to the top](#)

Do I need to maintain the bike myself?

You are responsible for maintaining the bike for your own use. Your local Halfords or independent store will be able to advise you about the necessary servicing depending on how you use your bike. [Back to the top](#)

What happens if I go on unpaid leave?

During approved unpaid leave such as extended Maternity leave or a career break the hire agreement is likely to be suspended by Barnardo's until you return to work and full pay resumes. [Back to the top](#)

What happens if I leave my job before I've finished paying for my bike?

Under the terms of the hire agreement you will agree to settle all outstanding monies before you leave. The outstanding balance will be deducted from your final net salary payment. [Back to the top](#)

Will cycleplus/cycle2work affect my Tax credits?

Most staff will benefit from joining the scheme. Current advice suggests that bike schemes are unlikely to affect Child Tax Credits. If you are in receipt of Working Tax Credits due to a lower household income then this may cancel out any benefit you gain from the scheme. As everybody's circumstances are different we recommend you contact the **Inland Revenue on 0845 300 3900** if you are unsure. [Back to the top](#)

What are the benefits of participating in the scheme?

- You can save up to 32%* in Tax and National Insurance.
- You pay monthly and so can spread the cost.
- You can choose from any make or model available from a range of local bike shops and Halfords stores.
- You can improve your health and fitness along with reducing your carbon footprint.

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Who is eligible?

cycleplus/cycle2work are governed by the Department for Transport. In order to receive the Tax benefits resulting from a salary sacrifice arrangement you will need to be a UK taxpayer, who can benefit from the Tax efficiencies of the scheme.

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What value of bike/equipment can I choose?

You can choose to take between £100 and £1,000. When deciding on a bike value it's important to consider carefully the amount you can afford and the type of bike that best suits your needs. Once you have chosen your value, completed the hire agreement and received your Letter of Collection you will not be able to increase or decrease the amount you have chosen. [Back to the top](#)

Can I use the scheme to get a bike for a family member, partner or friend?

No! - The bike must be used by you and mainly for the purpose of commuting to work. However the bike can be used in leisure time so you may use the bike in your free time to cycle with friends and family. [Back to the top](#)

Can I apply for more than one bike?

Yes you can apply for a maximum of 2, providing that you use both the bikes for commuting to and from work. [Back to the top](#)

Is the bike mine straight away?

The bike and goods remain the property of Barnardo's for the duration of the agreement. At the end of the hire period you may be given the opportunity to take ownership of the bike at a fair market value (plus VAT). [Back to the top](#)

What happens at the end of the agreement?

If you are offered the opportunity to buy the bike and you do not wish to do so, you may be charged a one off disposal fee. If you choose to become the owner of the goods, you may be offered the opportunity to do this at fair market value. This amount is not Tax and National Insurance free. [Back to the top](#)

What is a salary sacrifice arrangement and how are the savings made?

Salary Sacrifice or Salary Exchange basically means you have agreed with Barnardo's to exchange a proportion of your salary in return for some form of non cash benefit, in this case the hire of a bike. [Back to the top](#)

*Savings based on a basic rate taxpaying employee. Savings refer to the Tax and National Insurance saved from the salary amount sacrificed and do not refer to discounted cycles or cycle products. [Back to the top](#)