



University of
St Andrews

Cycle to Work scheme

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1. General

What is the Cycle to Work Scheme (C2WS)?

The C2WS was introduced by the UK Government with the aim of encouraging people to make healthier and more environmentally friendly life choices when traveling to their workplace. The scheme allows employees to hire bikes and relevant safety equipment as a tax-free benefit, also known as “salary sacrifice”. Employees can choose to purchase a bike and relevant safety equipment (up to the value of £2,500) and spread the cost over monthly tax-free instalments. The monthly payments towards the hire of the bike will be taken from the employee’s monthly salary.

Who is the cycle to work provider?

The University of St Andrews has recently moved to a new provider, [Green Commute Initiative \(GCI\)](#). Eligible employees can select bikes and safety equipment (such as helmets, lights, hi-visibility garments and lock) from this provider.

Which bike shop can I buy a bike from?

Look at www.greencommuteinitiative.uk/gci-registered-bike-shops/ for a list.

My bike shop is not on the list, what do I do?

Contact the bike shop and ask them to sign up to GCI, or fill in the form at <https://www.greencommuteinitiative.uk/contact/> requesting they contact the bike shop.

What is the maximum cost of a bike that an employee can hire?

The Cycle to Work limit has been increased to £2,500 in recognition of the increasing cost of bikes and the rising popularity of electric and cargo bikes.

What is the duration of the hire agreement?

Where the loan value is £1,000 or less, the hire agreement will be payable over 12-months. For loan values between £1,001 – £2,500, the employee can choose to extend the agreement to 24-months, should their contract duration allow.

Who is eligible for the scheme?

All permanent and fixed-term employees (who have a 12-months contract or greater) with the University are eligible for the scheme. Employees will not be eligible to participate in the scheme if it would mean that their earnings would fall below the National Minimum Wage or National Living Wage and/or are under 18 years of age. HR Salaries will review this during the approval process.

Do I own the bike during the hire agreement?

No, this is a loan agreement. Green Commute Initiative will own the bike until they agree otherwise or until the end of the extended loan period (see question below). Further information on this can be found at <https://www.greencommuteinitiative.uk/faqs-2/>.

What happens at the end of the extended loan period?

During the extended loan period the bike will depreciate in value until it becomes of no taxable value. After which point the bike’s ownership can be transferred from GCI to the employee for £1. You can see more on the GCI website <https://www.greencommuteinitiative.uk/employees/>.

How often does the bike have to be used for work?

The scheme is strictly for the purchase of bikes which will be used for commuting at least 50% of the time. HMRC does not require a record of mileage/trips completed during the hire period. Employees can also choose to use the bike for leisure at weekends/holidays.

Whose responsibility is it to insure the bike?

It is the employee's responsibility to insure the bike and this will be a requirement as part of the hire agreement. Employees should advise their insurance company that they are hiring a bike as part of an employer scheme.

What happens if my bike is stolen?

If your bike is stolen you must continue to repay the University for remaining cost of the bike. GCI will terminate the hire agreement and you won't owe GCI anything.

Who is responsible for maintaining the bike?

It is the employee's responsibility to maintain the bike. The provider will be able to advise you on necessary servicing depending on the bike usage.

How many bikes can be purchased through the scheme?

Employees can only enter into one agreement at a time.

Can a bike be purchased for a family member?

Technically, no. The scheme is aimed at supporting staff commuting to work.

How are savings made?

Employees make savings because salary sacrifice reduces the gross pay. This, in turn, reduces the amount of income tax and National Insurance that employees pay each month. Savings are dependent on the employee's personal tax code (this is an estimated example based on Scottish tax brackets):

		Certificate Value Savings	
Taxpayer Rate*	Savings	1000.00	2500.00
Starter	31%	310.00	775.00
Basic	32%	320.00	800.00
Intermediate	33%	330.00	825.00
Higher	43%	430.00	1075.00
Top	48%	480.00	1200.00

*Rates and thresholds for employers 2020 to 2021 - GOV.UK (www.gov.uk)

What if something goes wrong with the bike (or safety equipment) during the hire period?

All the bikes GCI hires come with a 12-month warranty provided by the bike shop to cover any faults that may develop. Any concerns regarding the equipment or bike within this period should be addressed to the local bike shop initially where you bought the bike from. However, you are responsible for any repairs required that are not covered under or beyond the warranty.

2. Employee specific

How do I apply for the scheme?

This is a salary sacrifice scheme which provides an Income Tax and National Insurance efficient way to pay towards the hire of a bike (and associated safety equipment) up to the value of £2,500 for up to 24 months. You sacrifice part of your annual salary to cover the hire of a bicycle (and associated safety equipment) for the agreed term.

1. Go to your local bike shop and find a bike (and safety equipment) you would like to buy - look at www.greencommuteinitiative.uk/gci-registered-bike-shops/ for a list of shops currently registered.

2. Email Monthly NS monthly-ns@st-andrews.ac.uk with "Cycle to Work Eligibility Check" in the subject line. Put in it your staff ID (the number on your ID card), the total amount you want to spend on a bike & equipment and duration of repayment (see FAQ above).
3. HR Salaries will receive notification of the application and will check your eligibility.
4. Once approval has been made, HR salaries will confirm eligibility and provide you with an employer code to purchase the items.
5. Login to the [scheme](#), enter the code and submit details of your bike request and select the shop you want to purchase from.
6. Once approved, GCI will send you the Hire Agreement for electronic signature via E-Sign.
7. GCI will email you a voucher that should be presented to the bike shop to collect your purchases.

For further information see the GCI <https://www.greencommuteinitiative.uk/a-step-by-step-guide-to-gci/>

What if I leave the University before the end of the hire agreement?

If you leave the University before the end of the lease, any outstanding balance would be immediately repayable by you and deducted as a lump sum from your final payment (wherever this is possible). Alongside the normal monthly reduction, the remaining balance will be recovered from your net pay - if your final salary payment does not cover the outstanding balance, HR Salaries will confirm to you the outstanding balance and set out in writing an agreed date for you to repay the final balance to the University. This is one of the terms and conditions agreed to on entering the Hire Agreement.

What happens if I change my mind after joining the scheme?

Under the terms of the scheme it is not possible for you to cancel your hire. You are therefore committed to Cycle to Work for the duration of the hire period. If your employment is terminated or you leave the University during the hire period, you will still be liable to complete payments identified in the agreement. This means that you must ensure that you make the right decision, based on your circumstances, prior to entering the scheme.

What happens if I go on authorised absence from work such as maternity leave?

The salary sacrifice will remain in place during authorised absence from work unless the monthly hire agreement payments cause your salary to fall below the NMW/NLW or you are in receipt of statutory pay only. If this is the case, the payments will be suspended, and your hire agreement will be extended upon your return by the number of months equal to the period that the payments were suspended.

What happens when my hire agreement / payment plan has finished?

The Hire Agreement is for an initial 90 days after which we will then provide you with the option to extend this for a further 5 years and 9 months all free of charge. *Why 5 years and 9 months?* Well HMRC deem that the bike has a Fair Market Value up until 6 years old (on bikes over £500). By not owning the bike, GCI ensures that no Tax and NI will be charged to you. At the end of the 6 years (initial hire and extended loan period) we provide you with the option to buy the bike for £1.

There are other options and you can contact GCI at any stage to understand what these are and how you can take advantage of them e.g. buying the bike at any stage following the 90-day Hire Period.

Should you require any further information on this please contact cycletowork@st-andrews.ac.uk.

3. Useful contacts

Department	Description of queries	Email contact
HR Salaries	For queries regarding eligibility and outstanding balances.	monthly-ns@st-andrews.ac.uk
Green Commute Initiative	To source information about the Cycle to Work Scheme and the providers.	cycletowork@st-andrews.ac.uk
Accounts Payable		accpay@st-andrews.ac.uk
Estates	For queries about cycling in St Andrews, storage on campus and on DIY bike maintenance.	environment@st-andrews.ac.uk

4. Version control

This document will be reviewed regularly. Any feedback on the guidance content should be directed in the first instance to Estates (environment@st-andrews.ac.uk).

Version number	Purpose / changes	Document status	Author of changes, role and school / unit	Date
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This document is not contractual and may be amended by the University from time to time.