



## University of Worcester Cycle to Work Scheme

Operated in conjunction with Sodexo

### Scheme benefits and guidelines:

The cycle to work scheme is offered by the University of Worcester to promote healthier journeys to work and reduce environmental pollution. This scheme supports the University's sustainability strategy to maintain its first-class environmental sustainability status.

The scheme is open to University employees, providing a tax exemption to staff for the hire of cycles and cyclist safety equipment. The loaned equipment must be used mainly for the purpose of qualifying journeys ie commuting between home and work or between University sites. It is a requirement that the cycle will be used for at least 50% of its use for qualifying journeys.

You will have the opportunity to enter a salary sacrifice agreement with the University of Worcester to hire a cycle and cycle safety equipment through Cycle2Work. You will be able to hire a cycle and cycle safety accessories up to a maximum of £2,000.

Permitted safety equipment which can be included as part of the hire agreement includes cycle helmets conforming to European Standard EN 1078, bells, bulb horns, lights and dynamo packs, mirrors, mudguards, cycle clips, dress guards, panniers, luggage carriers and straps, locks and chains that safely secure your cycle, puncture repair kits, tyre pumps, tool kits and tyre sealant to allow for minor repairs, child seats, reflective clothing and reflectors.

Once you have entered into the hire agreement your gross salary will reduce by the monthly gross salary sacrificed amount. This reduction will commence on the first salary payment after receiving your letter of collection and will remain in place for the hire term. At the end of this period, your salary will revert to its original level, subject to any adjustments that have occurred since e.g. pay rises, promotions.

More information can be found on the following website:

<https://myworcesterrewards.employeebenefitsplatform.com/>

Click [here](#) for FAQs and a useful calculator to give you an initial illustration of savings.

At the end of the twelve months hire period the cycle and any cycle safety equipment is owned by the University and should be returned. The University may elect to sell equipment from the cycle scheme to you after a hire agreement has expired, however, any subsequent sale will require a separate agreement to be entered into after the conclusion of the hire agreement.

Under the terms of the cycle to work salary sacrifice tax exemption any sale of ex hire cycles and related equipment must be at market value. It is permissible to sell a cycle at below its market value however this will give rise to a taxable benefit. This taxable benefit will be processed through payroll and the additional tax that you are responsible for will be deducted from salary and shown on your payslip at the end of the hire period.

If you leave your employment at the University during the term of the hire agreement, or your contract ends before you complete the term of the hire agreement, you will be liable for the full cost of the hire agreement. Any outstanding sums will be due to be paid to the University. This sum will be deducted from your final net pay and no taxable or NI benefit will be allowable on this payment. The cycle will remain the property of the University unless it is decided to offer this cycle for resale.

Examples to provide an indication of the cost of purchasing an ex hire cycle from the University with a tax benefit liability:

The original cost of the bike = £400 and accessories = £100  
After 12 months the deemed market value of the cycle is 18% of the original value, £72.

The tax charged on £72 for a basic rate taxpayer will be  $£72 \times 20\% = £14.40$   
The tax charged on £72 for a higher rate taxpayer will be  $£72 \times 40\% = £28.80$

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The original cost of the bike = £1,250 and accessories = £50  
After 12 months the deemed market value of the cycle is 25% of the original value, £312.50.

The tax charged on £312.50 for a basic rate taxpayer will be  $£312.50 \times 20\% = £62.50$   
The tax charged on £312.50 for a higher rate taxpayer will be  $£312.50 \times 40\% = £125$

Note:

- You must be over 18 to apply. This is a requirement of the Consumer Credit Act and the hire agreement.
- Your net pay cannot be reduced to below the national minimum wage after the salary sacrifice has been deducted. Therefore, applications which reduce pay to below national minimum wage will not be accepted.

## How do I apply?

1. Visit the following website: <https://myworcesterrewards.employeebenefitsplatform.com/> and log in to your account.
2. Hover over 'Benefits' on the top bar and select 'CycletoWork by Sodexo'. Click 'View Now' underneath 'How to Claim'.
3. You will be taken to the 'Sodexo' website - click 'More Information' and then 'Apply'.
4. If you have already registered, enter your login details. If not, click 'Register Now' and complete your registration details.
5. Once registered, you will receive an email to validate your email address. Copy the code into the email, click on the link and proceed to set your password. You will then be taken back to the login page, where you can log in using the details you have created.
6. You will next need to complete the 'Application Details'.
7. Once complete, you will need to set your voucher amount from the dropdown and agree to the Hire Agreement terms and conditions.
8. When you have accepted the terms and conditions, you will need to read and check the details in the salary sacrifice agreement, then electronically sign the salary sacrifice agreement.

9. You will then be taken to a new page to confirm your application is complete. You will receive an email with copies of your signed agreements.
10. Once your application is approved, you will also receive an email to confirm that it has been approved and has been exported to Cycle2Work.

### **Pension & other benefit Implications**

- If you are a member of TPS, LGPS or USS you will continue to pay employee pension contributions based on your salary before salary sacrifice. This will maintain the level of benefits in the event of death in service or ill health retirement.
- Occupational benefits, such as maternity or sick pay will be based on your pre-sacrifice salary.
- State benefits, such as Statutory Sick Pay, Statutory Maternity Pay or Statutory Redundancy Pay, will be based on your post-sacrifice salary.