

## Cycle to Work Scheme



### Tax-Free Bikes for Work!

Thinking about getting more active?  
Want to be able to get out and about?  
Why not consider cycling to work?

Cycling is one of the best ways to get active and keep fit and it's also one of the best ways to get to work. It's quick, easy and convenient, as well as being great for the environment!

The Cycle to Work (tax exemption) scheme is a way of purchasing a bicycle and accessories to enable you to commute to work and at the same time, take advantage of some unique tax and National Insurance incentives which means you could save up to 20% off the cost of a new bike!!

This is a **salary sacrifice** scheme whereby the College purchases the bike on your behalf and loans it to you for a fixed period of 12 months. **You pay back the loan through deductions from your *gross* rather than *net* pay for the hire period (usually 12 months), allowing you to benefit from income tax and NI relief.** After this time, ownership can be transferred to you for a small nominal fee.

So if you are thinking about buying a bicycle soon, then why not consider the Cycle to Work scheme and save money? For more information please check out the links below, where you will find handy calculators to enable you see how much you can save.

[www.cyclescheme.co.uk](http://www.cyclescheme.co.uk)

[www.evanscycles.com/ride2work](http://www.evanscycles.com/ride2work)

or see the HR web site, [http://college1.bradfordcollege.ac.uk/personnel/Benefits-Transport.htm#B\\_CycleToWork](http://college1.bradfordcollege.ac.uk/personnel/Benefits-Transport.htm#B_CycleToWork)

or contact Liz Milne in Personnel - [l.milne@bradfordcollege.ac.uk](mailto:l.milne@bradfordcollege.ac.uk) or phone 433020.

## Tax Advantages of Ride 2 Work Schemes

The idea is that it reduces CO2 emissions whilst getting or keeping yourself fit AND it also saves you money on Tax and NI.

How? Well, your employer signs up with a Ride 2 Work Scheme provider and basically pays for the Bike, Helmet, Lights and Reflective Clothing for you. You pay this back on a monthly basis over a period of 12 months and as your payments are taken from your salary prior to deductions this results in you having to pay less in Tax and NI as there are less earnings to apply the deductions too.

For example, if you chose to buy a bike and accessories for a value of £364.96, you would not be taxed or have NI contributions applied to that amount.

This equals Tax at 22% = £69.15

NI at 11% = £34.58

VAT = £50.63

Total = £154.36

You would have £30.41 deducted from your salary each month, but overall you would be paying £8.64 less per month in Tax and NI and so you would only notice the money you take home is down by £21.77 net.

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