



cyclescheme.co.uk

EMPLOYER HANDBOOK

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— Cyclescheme Ltd. —

Welcome to Cyclescheme

The UK's leading provider of the Cycle to Work scheme.

This manual will guide you through the scheme administration and provide you with the tools to answer any queries you may get from your employees.

— Est. 2005 —

Our online administration tool is designed to make the whole process as stress-free as possible. Here's how it works...

Sign up and sign in

Once you've registered online at www.cyclescheme.co.uk, we will set up your online account giving you access to Cyclescheme's online administration tool.

Shout about it

Your staff need to know how they can participate. It's a fantastic deal for your employees, but they'll only join up if it's well publicised and they fully understand the benefits. Cyclescheme's free literature and promotional material will help you do this.

Decide on a ride

Employees visit one of over 2,000 participating bike shops to select the bike and equipment; they will then be given a quote. They then apply for the package, entering their details and digitally signing their Hire Agreement.

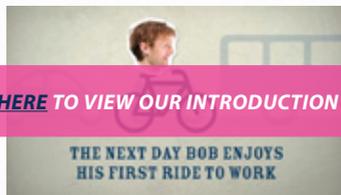
Signed and sealed

Once an employee requests a Certificate, you are automatically informed by email. When you confirm their eligibility, and approve the request (at the click of a button) Cyclescheme will send you an invoice for the bike package. Then, as soon as Cyclescheme receives payment, the Certificate is sent to the employee.

On your bike

The employee contacts the bike shop to arrange collection. Employees will be asked for photographic ID when collecting the bike and equipment. The bike shop records the details of the Certificate and redeems it online.

[CLICK HERE TO VIEW OUR INTRODUCTION VIDEO!](#)



The Cyclescheme website features a unique savings calculator, which employees are encouraged to use prior to submitting their request. Below are some example savings.

Example employer savings

	— Company size (people) —		
	100	1,000	10,000
Scheme take up	2%	2%	2%
Average equipment cost	£700	£700	£700
Your company's financial saving (based on 13.8% employers' NICs) When your employees get a bike through Cyclescheme, you don't have to pay Employers National Insurance.	£193.20	£1,932	£19,320
Your employees' health benefit When your employees cycle to work, they will receive health benefits as well as financial ones. This figure is based on the average employee cycling 6.5 miles to work, 3 times a week, rather than going by car.	4,212 <i>calories burned each week</i>	42,120 <i>calories burned each week</i>	421,200 <i>calories burned each week</i>
Your employees' environmental benefit When your employees cycle to work they will play in their part in helping the environment by reducing their carbon footprint. This figure is based on the average employee cycling 6.5 miles to work, 3 times a week, rather than going by car.	20 kg <i>CO₂ offset each week</i>	200 kg <i>CO₂ offset each week</i>	2 tonnes <i>CO₂ offset each week</i>

Example employee savings

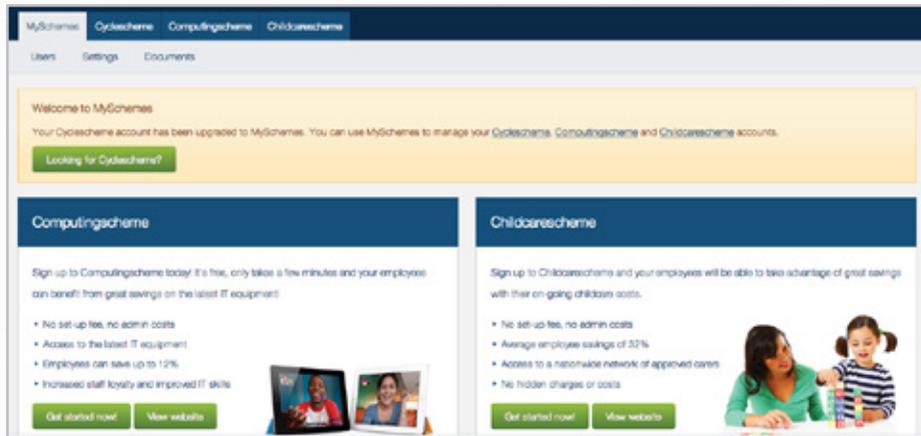
	— Retail price —				
	£250	£500	£750	£1,000	
Basic rate taxpayer: 20% Income tax, 12% NI	Cyclescheme price	£170	£340	£510	£680
	Income tax and NI saved	£80	£160	£240	£320
	Net monthly payments	£14	£28	£43	£57
	Percentage saving over 12-months	32%	32%	32%	32%
Higher rate taxpayer: 40% Income tax, 2% NI	Cyclescheme price	£145	£290	£435	£580
	Income tax and NI saved	£105	£210	£315	£420
	Net monthly payments	£12	£24	£36	£48
	Percentage saving over 12-months	42%	42%	42%	42%

Above is an example of how savings are made for basic and higher rate taxpayers on bike packages hired over a 12-month period.

MySchemes is our online administration tool; a secure place where you can manage Cyclescheme Certificates, access payroll information and download marketing materials. In MySchemes you can also view your Childcarescheme and Computingscheme accounts, all in one place. Please see page 13 for more information on these products.

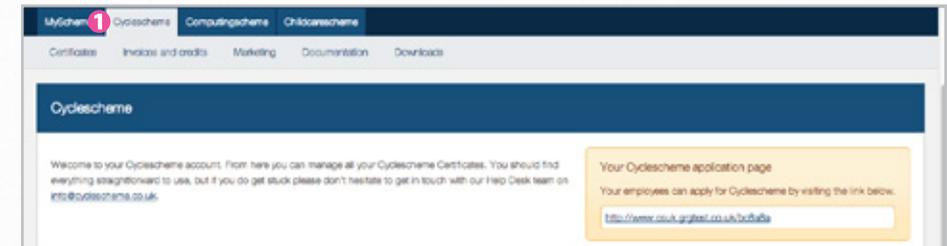
You can log onto MySchemes by visiting <https://extranet.myschemes.co.uk/>

If you do not have your password you can request a new one here also.



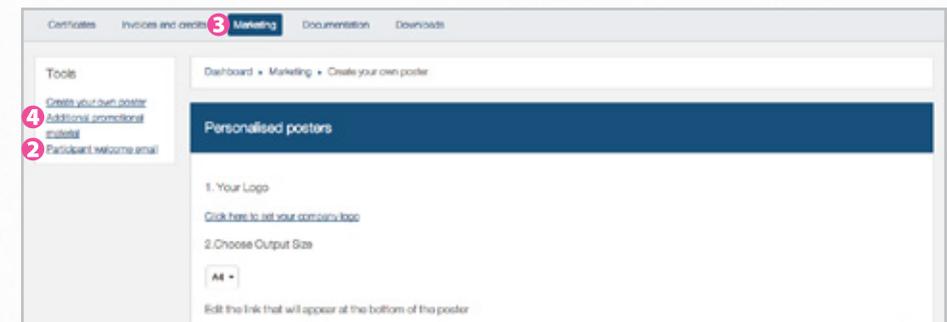
Promoting the scheme

Initially you will need to promote the scheme and make employees aware of your unique personalised employer link, which can be found by clicking on the 'Cyclescheme' tab⁽¹⁾.



An easy way to advertise the scheme to your employees is by sending them a 'Participant welcome email'⁽²⁾. You may wish to send this to yourself initially – this will enable you to review and, if you wish, edit the content of the email.

If you click on the 'Marketing'⁽³⁾ tab, you can download promotional material to advertise the scheme. Here you can also create a personalised poster, with your company logo and web-link. These can be downloaded in A4 and A5 size. There are also some additional non-customisable posters available, which show example bike packages and savings. You can download these by clicking on 'Additional promotional material'⁽⁴⁾ on the left hand side of the page.



Cycle Commuter magazines can also be requested free of charge from the Cyclescheme Help Desk. Or, why not view them online here: www.issuu.com/cyclescheme

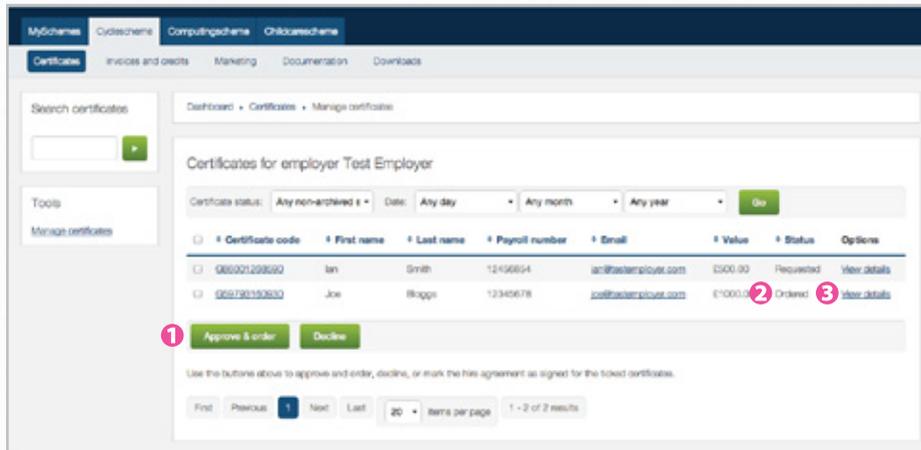
Managing Certificates

Once an employee has your unique web-link they will be able to check their savings and find a local Retailer online. They will then obtain a quote from the store and submit the details online, where they will also be presented with their Hire Agreement to electronically sign. You will then receive an email prompting you to approve/decline the request, you will need to check:

- That the employee is employed by your company.
- That the salary sacrifice amount will not take them below the National Minimum Wage.
- That they are over 18. If they are under 18 they will need to sign a Loan and Guarantor Form – contact us if you would like more information on this.

Once you are happy that the employee is eligible to join the scheme you will need to approve their request. If you click on the Certificate tab, you will be able to view all your Certificates. To approve the request you will need to tick the box next to the request reference number and click the 'Approve & order'⁽¹⁾ button. This will also countersign the Hire Agreement. The status of the Certificate will then change to 'Ordered'⁽²⁾.

Alternatively, you can approve the request by clicking on 'View details'⁽³⁾ next to the Certificate and then approve the order.



An email is then sent to the employee to advise them that their request has been approved.

Invoicing

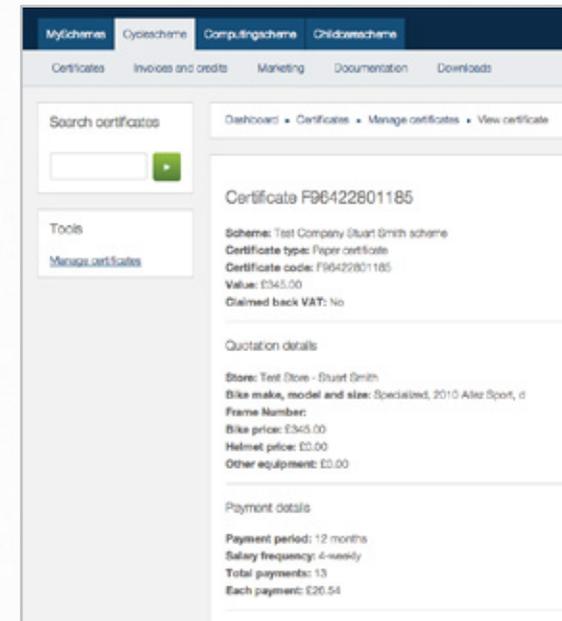
The invoice will be emailed to you within 24-hours of you approving the request. This will also include a spreadsheet summary detailing the Certificates on the invoice.

– Please pay Cyclescheme immediately –

Once the invoice has been paid Cyclescheme will email the Certificate to the employee. We will also notify you so that you can start the salary sacrifice deduction.

Salary sacrifice

A salary sacrifice happens when an employee gives up the right to receive part of their gross salary in exchange for hiring a bike and safety equipment. Details of the salary sacrifice amount and duration can be taken from the payroll summary spreadsheet or by viewing the Certificate details. You can also download the Hire Agreement from the Certificate details screen.



Payroll

In terms of payroll application, there are a few things to consider. Firstly there is the reduction itself (as opposed to a deduction). The most straightforward way to apply the reduction is as a 'negative adjustment' to gross pay. Many payroll systems have this functionality (although it may be called something different depending upon what system you use.) That way the tax and NI should be adjusted accordingly.

Next there is the duration. In many systems there is an 'effective dated' system, or a 'reducing balance' facility. So if the reductions are over 12-months, then the salary will automatically revert after that period (or when the balance reverts to zero). If neither of these elements is available, then a simple diary note will be needed.

Finally, a process should be established for early leavers – i.e. those who leave before the balance is repaid. If the client has the facility for reducing balance as above, then when someone resigns the system should flag that they owe monies to the company and this will then come from their final net pay. As before, a manual note/marker could flag this up. It is also advisable to notify Cyclescheme of any early leavers so that we can adjust the date that the employee is contacted with their End of Hire options.

VAT

Since 1st January 2012 all employers running a salary sacrifice scheme must account for the VAT included in the salary sacrifice payments received; however all VAT registered businesses, including those classed as 'VAT-exempt', will be able to recover the VAT on the purchase of Cycle to Work scheme equipment. This means employers continue to save employer National Insurance of up to 13.8% on each Certificate. You can download a VAT spreadsheet from MySchemes to assist you in accounting for the VAT. For further information visit www.cyclescheme.co.uk/employers/vat

Adding funds & Equipment only

Employees are able to add their own funds on top of the Certificate amount, but this amount will not be subject to tax and National Insurance savings. The equipment will remain the property of the employer during the hire period even if the employees have added their own funds.

Following HMRC clarification employees can now apply for equipment only under the scheme. There is a minimum spend of £100 on equipment only Certificates and a Market Value payment is still required at the end of the hire period.

MySchemes allows you to check on the current status of each Certificate request and can be a useful tool for managing you scheme, as long you know what each status means:

Requested: Date the Certificate is requested online.

Declined: Date the Certificate is declined by the employer.

Cancelled: Date the Certificate is cancelled.

HA sent: Date the Hire Agreement is sent to participant (paper agreement schemes only; this will not appear when using online HAs).

HA received: Date the Hire Agreement is received by Cyclescheme (paper agreement schemes only; this will not appear when using online HAs).

Ordered: Date the administrator has approved the request.

Invoiced: Date the invoice is sent by Cyclescheme (usually by email).

Funds received: The date Cyclescheme receive payment from the employer.

Issued: Date the Certificate is sent from Cyclescheme to the participant.

Redeemed: Date the Partner Store has redeemed the Certificate.

Received: Date the Certificate arrived back with Cyclescheme for processing.

Dispatch agreed: Some schemes will have an agreed Certificate dispatch date; these are rare.

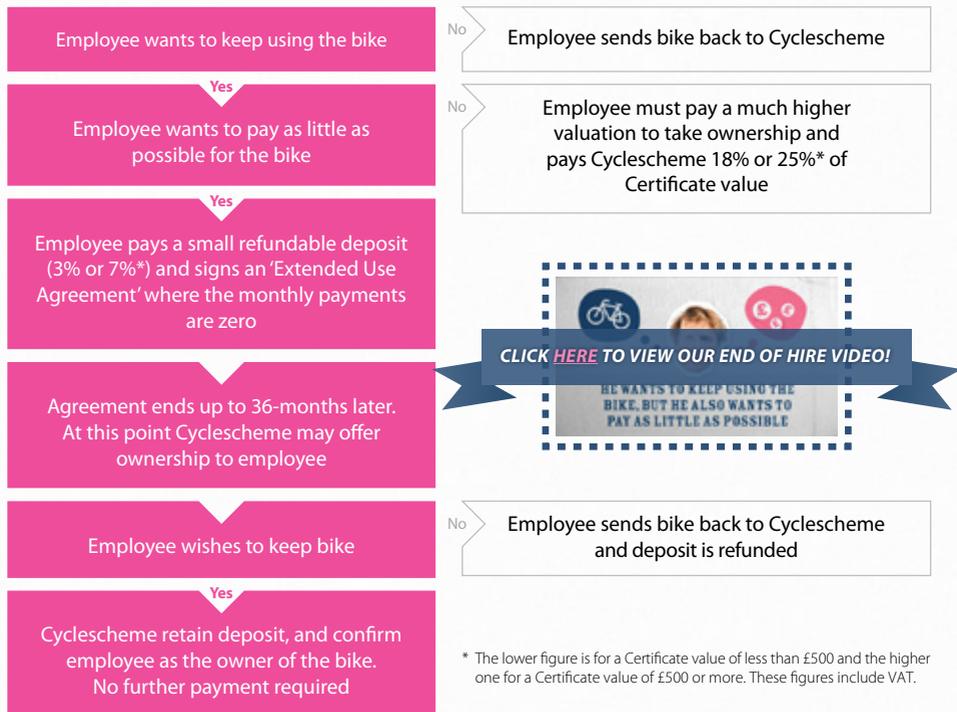
Remittance created: Date the remittance for the Partner Store is created.

Paid: Date the Partner Store has been paid by Cyclescheme.

At the end of the hire period, ownership of the bike transfers to Cyclescheme. This is because HMRC stipulate that, due to the tax savings made an employee must make a payment to take ownership of the bike. HMRC have strict guidelines on how much that payment should be; at the end of a 1-year hire period an employee should pay 18% or 25% of the original equipment value to take ownership.

In order to preserve participants' savings, Cyclescheme has a process in place that enables employees to pay a small, one-off refundable deposit (3% or 7% of the equipment value, representative of HMRC's 4-year valuation) and continue to use the bike for an extended period of up to 36-months. There will be no monthly payments and the employee can participate in the scheme again at any time. Also, they may change jobs without the agreement being affected.

If, at the end of this period, the employee wishes to keep the bike no further action or payment is required. The End of Hire process is explained further below.



* The lower figure is for a Certificate value of less than £500 and the higher one for a Certificate value of £500 or more. These figures include VAT.

Cyclescheme is just one of three great benefits available to you via your MySchemes login. When you login to MySchemes, you will also have the option to activate your Computingscheme and Childcarescheme accounts.



cyclescheme.co.uk

USEFUL LINKS

— FAQs —

www.cyclescheme.co.uk/employers/employer-faqs

— INTRODUCTION VIDEO —

www.cyclescheme.co.uk/help/introduction-video

— END OF HIRE VIDEO —

www.cyclescheme.co.uk/help/endo-of-hire-process-video

— CYCLE COMMUTER MAGAZINE —

www.issuu.com/cyclescheme

— COMPUTINGScheme —

www.computingscheme.co.uk

— CHILDCAREScheme —

www.childcarescheme.com