



## Cycle to Work – Frequently Asked Questions

### 1. Who is eligible to join the Cycle to Work scheme?

The Cycle to Work scheme is available for every Mitie employee in the UK. However, there are some circumstances where employees cannot join the Cycle to Work scheme;

#### **Employees under age 18 years**

You must be 18 years old or over to sign the hire agreement with our provider, Halfords. If you are under 18, you will have to sign a hire agreement in the presence of your guardian and Operational Manager or local HR representative.

#### **Employees on Fixed Term Contracts**

You cannot participate in Cycle To Work if your employment is due to terminate before the end of the 12 month hire period.

#### **Employees who are paid the National Minimum Wage, National Living Wage or near the National Minimum Wage, National Living Wage**

Please be aware Mitie must comply with National Minimum Wage (NMW) legislation. Our cycle to work scheme operates under a salary sacrifice arrangement. This means you agree to sacrifice part of your pay in return for Mitie agreeing to provide you with a non-cash benefit, in this case a bicycle and/or accessories. This is how you get your tax and NI savings. However, by law Mitie **MUST** not reduce your pay below the level of the NMW. Other deductions from your pay, such as salary sacrifice pension contributions, are also included in this calculation. Therefore, to make sure your pay does not fall below NMW, checks will be done on receipt of your application, taking into account your last three payslips. The benefits team will perform a calculation to make sure your hourly rate after your cycle to work deduction, and any other salary sacrifice arrangements, remains at £10.55 per hour or above (such amount taking into account projected future levels of NMW). If it does not you will be contacted to confirm that your application cannot be processed.

#### **Employees who are members of the Mitie Security Expense Contribution Scheme.**

To qualify for cycle to work, the bike must be used by you, mainly for commuting to work e.g. journeys made between the home and workplace, or part journeys (e.g. to the station), or for journeys between one workplace and another. Therefore, the following rules apply to employees who participate in the Expense Contribution Scheme (ECS).

- Employees who participate in the ECS and have declared their main Mode of Transport (MOT) as car or motorbike will not qualify for Cycle to Work tax relief.
- Employees who participate in the ECS and have declared their MOT as train, bus, tram or lift with friends will be asked to sign a statement confirming their bike is mainly used as part of their commuting to work or work-related travel in order to qualify for Cycle to Work tax relief.
- ECS payments will not be paid for mileage on a Cycle to Work provided bike.

## 2. When can I apply for the scheme?

The enrolment windows are normally open for a defined period in March/April and August/September each year. For specific dates keep an eye on the news feed on MiNet or speak to your local HR team.

## 3. How often do I need to use my bike to cycle to work?

At least 50% of the bike use should be for commuting to and, if relevant, between work places. However, the bike can also be used for non-work purposes and you are not required to maintain records of usage and there is no minimum usage requirement.

If you decide you will no longer use the bike for commuting and communicate this to Mitie, you will no longer qualify for the tax relief associated with this benefit. In such circumstances your payroll department will arrange for the remaining salary/pay reductions to be taken from your net pay i.e. after tax and National Insurance have been deducted. You cannot return the cycle and have your salary/pay re-adjusted.

## 4. How do I enter the Cycle to Work Scheme?

- Log in to your [Celebration Hub](#) account, click on the Cycle To Work tile and click apply now.
- **Choose your bike, equipment, or both** - Using [our store locator](#), find your preferred cycle store and choose what you want to order up to the value of £3,000.00 Remember you can also use your LOC online.
- **Add up your total** - When you know what you want to order, add up the total cost. This should not exceed the £3,000.00 limit. Make sure you know exactly how much you want to spend as you cannot change your order amount once you've applied. The amount you apply for must be the total amount, as this cannot be topped up with cash later or when you go to collect your cycle.
- **Apply and confirm** - Enter the total order amount into your application and it will show you how much you'll save as well as how much will be deducted from your salary. And when you're happy, confirm your application by electronically signing your Hire Agreement
- **Employer review** - Mitie will review your submitted application to ensure you meet the Cycle to Work requirements. They may take into account other gross salary deductions such as Childcare Vouchers and Pensions
- **Download your Letter of Collection** - Provided your application is successfully approved, you'll receive your LoC via email to use in-store or online. Please read your LoC carefully to make sure you've got everything you need before picking up your bike and equipment. Take your electronic or paper Certificate into the partner store and collect your bike and equipment.
- The first payment comes out of your salary/pay the payroll after the window closes.
- At the end of the 12-month hire agreement, the Cycle to Work team will get in touch to discuss your options. Please see question 21 for more information.

## 5. Which stores can I get a bike from?

We have teamed up with Halfords to offer you access to the largest selection of bike brands in the UK! You will have access to 465 Halfords stores and 860+ local independent retailers, providing countless different bikes, models and accessories to help choose the bike that is right for you. [Click](#) on the 'Find your nearest cycle store' tile for more information. And these are not the only benefits! You'll also get access to expert advice and knowledge from independent bike shops that live and breathe cycling. So, you can feel confident that the bike you choose will suit your needs perfectly.

#### **6. What is the maximum value of equipment I can obtain through Cycle to Work?**

The maximum amount is £3,000 inclusive of VAT.

#### **7. Can I select equipment that is more expensive than the value of my certificate?**

No. You may not exceed the £3,000 certificate limit nor may you "top up" the value of your certificate with cash. You must use the full value of your certificate in a single transaction. If you choose equipment that is less than the value of your certificate, you will not receive a refund for the unused portion of your certificate from Mitie or Halfords, nor will the amount of your salary exchange reduction change.

#### **8. What is salary sacrifice?**

Salary sacrifice occurs when an employee agrees to give up part of their salary/pay for an agreed period of time (in the case of Cycle to Work it is 12 months) in exchange for a non-cash benefit such as the loan of a bicycle and safety equipment. This is a change to terms and conditions of employment. As salary sacrifice is taken from the gross salary/pay before tax rather than net pay, it means that an employee pays less income tax and National Insurance, resulting in savings of between 25% and 39%.

#### **9. Will a salary sacrifice scheme like this affect my entitlement to benefits?**

Possibly, although in most cases the effect is likely to be small. However, you need to be aware of the implications of paying less tax and NI contributions and accepting a reduced salary/pay. It is recommended that you seek professional advice if you have any concerns or need more information.

#### **10. What equipment is available through the scheme?**

You can choose to select a bike, bike and accessories or just accessories as part of the scheme. Electrically assisted pedal cycles are also included. Safety equipment includes;

- cycle helmets which conform to European standard EN 1078,
- bells,
- bulb horns,
- lights including dynamo packs,
- mirrors,
- mudguards which ensure the riders visibility is not impaired,
- cycle clips,
- dress guards,
- panniers,
- luggage carriers and straps to ensure luggage is carried safely,
- locks and chains to ensure cycle can be safely secured,
- pumps,

- puncture repair kits,
- tool kits and tyre sealant to allow for minor repairs,
- reflective clothing,
- white front reflectors,
- spoke reflectors and
- child safety seat (for example if you drop your child at school on the way into work).

The only cycle to work scheme exceptions are: GPS ride trackers and navigation devices, bike racks for cars, cameras, turbo trainers or rollers, gift cards and nutritional products / foodstuffs.

### **11. Can I select more than one bike?**

Yes, providing they are both used for commuting to work e.g. you may have a summer route and a winter route to work, both requiring different things from a bike or, you may have a bike to ride from home to your local railway station and another bike at your destination railway station which you use to complete the final phase of your journey to work.

### **12. Can I take part in more than one scheme?**

You can only be in one Cycle to Work hire agreement at any time. However, there is no limit on the number of times you can join the Cycle to Work scheme provided you meet the eligibility criteria.

### **13. Can the Cycle to Work scheme be used to get a bike for a family member, partner or friend?**

No. The bike must be used by you, mainly for commuting to work e.g. journeys made between the home and workplace, or part journeys (e.g. to the station), or for journeys between one workplace and another.

### **14. Why would I want a new bike if I already own one?**

Your old bike need not be redundant. You may find as you start to cycle more and more, you need a bike with a higher quality specification which will allow you to ride more efficiently. You may also take different routes when travelling to work, e.g. a summer route and a winter route, which might benefit from a different type of bike for each journey. You could also pass on your old bike to another family member.

### **15. Who owns the equipment?**

Halfords are the legal owners of the bike from the start of the hire period and the bike is leased to you. Once you reach the end of your initial 12 month hire period, the Cycle To Work Team will get in touch to discuss your options regarding ownership of the bike. Please read the answer to 'What happens at the end of the hire period?' below for more detail.

### **16. Is the cycle to work scheme going to mean there will be showers and storage facilities for my bike to make it easier to cycle to work?**

For shower and storage facilities, it does depend on what site you work on. However, on our client sites, it is very difficult to ensure these facilities are in place. On Mitie sites we have a bit more control over what buildings we lease and therefore what facilities we have. Having said that, it does depend on the age of the building and when the lease was agreed. Our Cycle to Work scheme will therefore, unfortunately, not be able to look at improving these facilities, as we feel it is more important to offer the scheme as some employees will benefit from it, rather than to wait for the facilities and then offer the scheme.

### **17. What if my bike gets stolen or damaged?**

Looking after the bike is your responsibility. Payments from your salary/pay will not stop or be suspended due to the bike being stolen or damaged. It is therefore recommended you obtain separate insurance or check your bike is covered under your home contents insurance policy. If your home contents insurer covers the bike, you must inform them Mitie owns the bike.

However, Halfords does offer to all members:

- an optional 8 Weeks free Insurance
- lifetime safety checks on all cycles obtained through the scheme
- lifetime guarantee on Halfords brand cycles

### **18. What happens if I have a period of maternity, paternity, adoption or sick leave during the hire period?**

While you are receiving full pay, you will still continue to make deductions as agreed. If your salary/pay reduces due to maternity, paternity, adoption or sick leave, your loan period will be extended to accommodate this where possible. You will remain in possession of the bicycle during your leave, but you will start making payments again when you return to full pay. If you do not return to work, you will be treated as a leaver, as explained below.

### **19. What happens if my pay drops below National Minimum Wage rates during the hire period as a result of the salary sacrifice arrangements?**

If your pay drops below National Minimum Wage levels during the hire period, for example due to absence or changes in working hours, the Payroll team will contact you to discuss next steps.

### **20. What if I leave Mitie before the end of the hire period?**

If you leave Mitie, for any reason, including redundancy and TUPE transfer out of Mitie, before the end of the hire period you must pay Mitie the balance of the amount outstanding and this will be deducted from your final net pay. You may then have continued use of the cycle without further payment until the hire period expires, when you may be offered the opportunity to purchase it for a fair market value. However, this transfer of ownership is the subject of a separate agreement and is not governed or influenced by the hire agreement you sign for this scheme.

### **21. What happens at the end of the hire period?**

Once your hire period has come to an end, the Cycle2Work team will get in touch to discuss your options. This will include the opportunity to extend the hire of the cycle at no additional cost until HMRC deem the value to be negligible. This is typically 4 or 5 years, and once this agreement has finished you will become the rightful owner!

### **22. When can I apply again to the scheme?**

You are free to participate in future Cycle to Work schemes after the end of your 12 month hire period.

### **23. Who do I contact if I want to find out more?**

You can find out more on the intranet or at [www.celebration-hub.com](http://www.celebration-hub.com) via the support button. If you have any other queries, you can email [cycle2.work@halfords.co.uk](mailto:cycle2.work@halfords.co.uk).