

## What you can do



## The Cycle to Work scheme explained



Cycling is often the quickest way to get to work, not to mention the most fun



You might have heard of the Cycle to Work scheme, but how does it work and can you really get a new commuting bike without having to pay for it up front?

If you've decided to get fit and save money by starting to cycle to work then a brand new bike isn't essential. Maybe you've got a trusty old bike in the shed or can arrange to borrow one from a friend so you can try commuting by bike.

But once you've tasted the freedom of cycling to work you might want to buy a better bike that's more suited to your commuting route. That's where **the Cycle to Work scheme** can come in handy.

### What is the Cycle to Work scheme?

The Cycle to Work scheme is designed to help you save money on a new work bike and spread the cost of the bike over 12 monthly tax-free instalments through your employer.

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through your employer.

## How does the scheme work?

There are a few different scheme providers out there each with their own variations but the basic idea is the same. It's a simple process:

1. Your workplace registers with a scheme provider.
2. You choose the bike you want.
3. Your employer pays for it.
4. You pay your employer back through 12 monthly instalments taken through payroll.

## How does the tax-free bit work?

Monthly payments for the new bike are taken from the employee's gross salary i.e. before any tax is deducted. You'll be paying less tax and National Insurance every month that you're paying off the bike.

This means that at the end of the year you'll have saved some tax, which equates to around 25% of the actual cost of the bike (and you'll have spread the cost into manageable monthly payments too).

The scheme is easy to access and won't take up much administration time for your employer.

There's a financial benefit for your employer too. They end up paying less employer national insurance contribution so they save about 13% on the cost of the bike.

So your employer pays for the bike, gets the money back from you over 12 months, saves 13% in the process and gets a healthier, happier more productive staff member who doesn't need a parking space. It's a no brainer!

**Ask your employer if they're already signed up and if not suggest they register with a scheme provider such as Cyclescheme.**

**Read about how buying a bike through the Cycle to Work scheme changed one commuter's life.**

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