

# cycle2work

## Cycle 2 Work

Cycle 2 Work is a government backed scheme launched in 1999 to help increase access to a more sustainable means of transport to work as well as improve the congestion problems in the UK. There is also the added benefit that cycling to work will improve fitness and increase your wellbeing.

This scheme has been developed by P&MM with Halfords Business Services

## How the scheme works

- Employer purchases a bicycle and cycling safety equipment for staff
- Purchase made via capital expenditure or operating lease
- Staff lease the equipment from their employer – over 12 - 18 months
- Employer may treat the bicycle as a business asset & reclaim VAT
- VAT savings may be passed back to employee
- Employer may recoup cost of loaning equipment via salary sacrifice
- Employee pays fixed monthly amount from gross pay, thus saving TAX and NIC. Cost of borrowing (where incurred) is rolled into each monthly payment.
- Employer retains ownership throughout term
- At end of hire period, employer may decide to transfer title for “fair market value”

## Benefits to the employer

- Innovative employee benefit at zero cost
- Self funding - Retain employers NI contribution
- Supports Sustainable Development Policies
- Reduces congestion – Frees up car park resource
- Contributes to Green Travel Plan – Possible requirement of planning permission
- Healthier workforce - Increased productivity & reduced absence

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