



Cycle to Work Scheme Policy

The Office of the Police and Crime Commissioner (OPCC) is committed to the principles of equality and diversity. No member of the public, member of staff, volunteer or job applicant shall be discriminated against on the grounds of age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; or sexual orientation.

Introduction

1. Central Government introduced the Finance Act in 1999 allowing employers to loan bicycles and cycling safety equipment as a tax free incentive through a salary sacrifice scheme. Individuals benefit by making savings on income tax and national insurance contributions and employers save on national insurance contributions.
2. The aim of the scheme is to encourage individuals to loan bicycles through a hire agreement with an option of purchasing the bicycle at the end of the loan period.
3. This policy aims to ensure individuals benefit from the Cycle to Work scheme and contributes to the central government's sustainable travel agenda.

Eligibility

4. The scheme is open to all staff from the commencement of their first day of employment that:
 - are in receipt of a PAYE salary
 - are eighteen years of age or over to comply with the Consumer Credit Act legislation (unless the staff member is able to provide a guarantor over the age of eighteen); and
 - earn above the national minimum wage after the bicycle loan is deducted

Exemptions

5. Individuals hired through employment agencies are excluded.

Equipment

6. The scheme enables eligible staff to loan both cycles and cyclists' safety equipment. The tax exemption defines a "cycle" as 'a bicycle, a tricycle, or a cycle having four or more wheels, not being in any case a motor vehicle' (192(1) of the Road Traffic Act 1988 (c.52)). An electrically assisted pedal cycle can be included under the scheme.
7. Cyclists' safety equipment is not similarly defined in the legislation and a common sense approach should be taken to the equipment provided. This could include:
 - cycle helmets which conform to European standard EN 1078
 - bells and bulb horns and lights, including dynamo packs
 - child safety seats
 - mirrors and mudguards to ensure riders visibility is not impaired
 - cycle clips and dress guards
 - panniers, luggage carriers and straps to allow luggage to be safely carried
 - locks and chains to ensure cycle can be safely secured
 - pumps, puncture repair kits, cycle tool kits and tyre sealant to allow for minor repairs; and
 - reflective clothing along with white front reflectors and spoke reflectors
8. Examples of items that do not count as cyclists' safety equipment include:
 - cycle computer
 - waterproof clothing that is not reflective clothing; and
 - cycle training

Conditions of loan

9. The bicycle must be selected for the sole use of the individual - it cannot be obtained for family members.
10. There is a requirement the bicycle is used mainly (i.e. more than 50% of the time) for travel to and from work (or between one workplace and other or to and from the train station to get to work, if applicable).
11. Individuals can borrow a minimum of £100 and a maximum of £1,000.

12. The loan is fixed for a period of 12 months and there are no variations to this arrangement.
13. The loan is granted under a salary sacrifice provision. Under this condition, individuals give up a part of their salary in return for the OPCC's agreement to provide a non-cash benefit – in this case, a loan of bicycle and related equipment.
14. Individuals need to be aware of the implications of paying less tax and NI contributions and accepting a reduced salary. There may be an impact on:
 - pension schemes being contributed to (especially if you are nearing retirement and contribute to a final salary pension scheme)
 - entitlement to contribution-based benefits like the state pension, jobseeker's allowance and incapacity benefit. This is particularly likely if your salary after taking a salary sacrifice falls below the lower earnings threshold
 - entitlement to earnings-related benefits like maternity allowance and the state second pension; and
 - entitlement to work-related benefits like statutory sick pay, statutory maternity pay, statutory paternity pay and statutory adoption pay
15. At the end of the loan period, the normal gross salary will be reinstated accounting for any appropriate adjustments.

Contractual arrangements

16. Individuals who participate in the scheme must enter into a contractual hire agreement with the leaser and consent to the terms of the agreement.
17. The leaser purchases the bicycles and loans them to the individuals.
18. There are no cancellation rights once individuals have elected to participate in the scheme and signed the hire agreement.
19. If the bicycle or safety equipment is stolen or becomes inoperable due to damage, individuals are required to continue to meet their financial responsibilities for the remainder of the hire period. Any replacement bicycle or equipment will fall outside the terms of the hire agreement.

Leavers

20. Individuals leaving before the full amount is repaid are liable to pay the outstanding amount from their final net salary. This also applies to those individuals who are made redundant.

21. If a staff member's final net salary does not provide a sufficient amount to cover the outstanding balance, the OPCC will seek to recover this from the staff member in full within fourteen days of the staff member leaving the OPCC.

Maternity leave/unpaid leave

22. The salary reduction will continue in periods of paid leave. During periods of unpaid leave or leave that reduces salary below the minimum wage, the salary sacrifice scheme will be suspended. The salary reduction will recommence once the staff member returns to work/commences paid leave, thereafter extending the original loan period.

Ownership of bicycle

23. During the loan period the bicycle is owned by the leaser. Once the loan is repaid, the leasing company may transfer ownership to you for its fair market value at the time. The leaser can expect the safety equipment to have a market value of £20 (plus VAT) or 5% of the capital value (plus VAT) which is greater, at the end of the 12 month pay period.
24. Any arrangements made regarding the disposal of the bicycle will be the subject of a separate agreement.

Joining the scheme

25. Full information on the scheme is provided thorough the website:
www.bike-scheme.co.uk/wmp

username: west

password: midlands

26. Individuals participating are expected to abide by the instructions, set out in the website, including the following:
- select the salary reductions
 - complete the hire agreement; and
 - print the agreement locally, sign it (ensuring that it is witnessed by a line manager on work premises), then submit it to the scheme administrator

Health and Safety

27. Individuals are responsible for:
- regular maintenance of their bicycle and safety equipment to ensure that it is fit for purpose
 - taking due care when riding their bicycle in accordance with statutory traffic requirements
 - undertaking an assessment of weather conditions before starting a journey; and
 - wearing the correct protective clothing

Warranty

28. The bicycle will have a 12 month warranty, although this may be longer depending on the type of model and make. If a problem occurs with the bicycle, individuals must return it to the retailer to resolve the issue. If the situation remains unresolved, WMOPC will intervene to try to reach an acceptable solution.

Bicycle insurance

29. The responsibility lies with the individual to ensure the bicycle and safety equipment is adequately insured. It is recommended that the bicycle and safety equipment is covered under home and contents insurance.

Data protection and security

30. The Scheme is run through a web portal through which it will give individuals access to operating information. All documentation and processes will reflect the OPCC security requirements. The only document which will hold personal information will be the hire agreement. Only first name, surname, employee number, work address and signature will be held; no other data will be captured.