

Cycle to Work Scheme Frequently Asked Questions

Q Who can get a bike through the Cycle to Work scheme?

A The scheme is open to all Derbyshire County Council staff who qualify. You have to be earning more than the minimum wage after salary sacrifice, be paid by the DCC PAYE system and have a contract to work for the council for at least a year. Under 18s can join the scheme but will need a guarantor.

Q Can I join the scheme if I work for an Academy?

A School staff employed by Derbyshire County Council can get a bike through the Cycle to Work scheme. Employees who work for schools not on the council payroll or who work for schools that become academies, can get a bike through salary sacrifice providing the school or academy they work for agrees to set up their own scheme. [More information about academies and non payroll schools.](#)

Q What if I'm not eligible for a bike?

A If you don't qualify, you can still borrow a bike through our pool scheme. You have to use it for work related journeys and it has to be returned at an agreed time. For more information contact the Sustainable Travel Team on 38156.

Q Do I have to use the bike for work?

A By signing up to Derbyshire County Council's Cycle to Work Scheme you are agreeing to use your bike for at least 50% of commuting or work-related journeys. It doesn't have to be for the whole of your journey, for example you could cycle to and from the train station.

Q Can I sign up to the Cycle to Work Scheme other than online?

A If you sign up online it's quicker but if you don't have access to email or the internet then you can apply by phone. Call Cyclescheme on 0844 8795101 and they will make an application on your behalf.

Q What is salary sacrifice and how do I save?

A By agreeing to give up part of your salary for 12 months, you are eligible to get a non-cash benefit, in this case the loan of a bike and safety equipment. Because your payments are taken from your salary before rather than after tax, the council pays less tax and National Insurance (NI), so these benefits can be passed on to you.

Q Can I also make savings on VAT?

A There have been recent changes to VAT regulations which come into effect from January 2012. Anyone who signed up to our Cycle to Work scheme **before** 28 September will **not** have to pay the VAT element of the scheme. Anyone who signed up **from** 28 September 2011 **will** have to start paying VAT on any remaining payments from January 2012. Everyone continues to benefit from income tax and NI contribution breaks.

Q How much will I save?

A The amount you'll save depends on several factors including how much tax you pay – higher rate tax payers will save more. Typically you can expect to save between 25 to 37 per cent.

Q Are there any finance or administration costs?

A All costs are included in the 'How much can I save' section on the Cyclescheme website at www.cyclescheme.co.uk/56558d. Click on the 'use the calculator' 'show advanced details' links.

Q The amount deducted on my wage slip looks high. Am I actually making sufficient savings?

A The amount shown as deducted on employee wage slips is a gross amount and does not show the savings which are made on lower National Insurance and lower Income Tax deductions each month. All costs and benefits can be personalised and can be seen in the 'How much can I save' section on the Cyclescheme website at www.cyclescheme.co.uk/56558d. Click on the 'use the calculator' 'show advanced details' links.

Q Can I get a bike from any shop or dealer?

A So far 42 bike shops and dealers in Derbyshire have signed up to the scheme but you don't have to get one locally. There are many dealers in this region and nearly 1,700 countrywide. To find a suitable outlet go to www.cyclescheme.co.uk.

Q Can I chose any bike I like?

A Yes you can pick any bike and safety equipment you like up to a total value of £1,000. Most dealers will stock the most popular brands, have electric bikes, folding bikes as well as specialist bikes. Check the 'getting a bike tab' at www.cyclescheme.co.uk to find a suitable stockist.

Q Who actually owns the bike?

A Effectively you are hiring the bike for 12 months and because Derbyshire County Council is using a finance company to fund the bikes they belong to them.

Q Who is responsible for maintaining the bike?

A You are responsible for looking after the bike. Your first service will be free and your shop or dealer will be able to offer you advice about maintenance.

Q Do I have to get the bike insured?

A It's strongly recommended that you do get the bike and any safety equipment insured as soon as you collect it from the shop or dealer. Most cycle-specific insurance often covers theft, to protect you against hefty replacement costs, and some kind of medical insurance.

Q What happens if the bike gets stolen?

A As long as you replace the bike and continue to use it for commuting to and from work you can continue to get the tax benefits.

Q What happens at the end of the hire period?

A Our scheme is for 12 months. After this time there are three options:

- give the bike back and make no further payments
- to own the bike immediately, pay a percentage of its value, then it becomes yours
- Free loan of the bike for three more years, paying a small deposit but no further payments. After this time, keep the bike or give it back and get your deposit back. This is what most people tend to do.

Q What happens if I leave my job before the end of the scheme?

A If you leave Derbyshire County Council or are made redundant before the end of your 12 month hire agreement you'll have to pay upfront and in full – you won't be eligible for the the tax benefits. If you are subsequently employed by an academy or school that chooses not to set up their own scheme, then you will be treated as a leaver and have to make any outstanding payments in full.