

Bike Scheme FAQs

- What is an LoC?

This is short for **Letter of Collection**, the special document that is sent to you either by email or to your home address. You exchange this for your bike and cycling safety accessories (if required) at the store. Your LoC is valid for 4 months. If your LoC expires or is misplaced please contact us immediately.

- What if an employee leaves early or is made redundant

If an employee leaves before the end of the scheme, they must pay their employer any outstanding salary deductions from their final net salary, as compensation for non completion of the salary sacrifice. They may then have continued use of the equipment without further payment until the hire period expires, when they may be invited to purchase the equipment and become the owner. It is important that the employee is not deemed to be given the automatic right to own the equipment otherwise they would not be able to benefit from the tax exemption. In the case of redundancy, the balance of payments due on the equipment can be deducted from the employee's redundancy settlement.

- Is this scheme affected by the Minimum Wage?

You may join the scheme even if by doing so you could fall below the National Minimum Wage. However under these circumstances you will be advised of your options. It may be the case that you will have a limited choice of bike value, and you may also be offered an alternative to a salary sacrifice arrangement.

- What happens if I take leave, e.g. maternity/sick, during the Hire Term?

If you take paid leave during the period of the hire term your payments will continue to be reduced from your pay and you will be able to carry on using your bike

If you take unpaid leave or leave where your pay is reduced to a lower amount than that deducted, your payments will be suspended until you return to work at which time payments will recommence for the remainder of the term originally set out.

- What happens if my bike is damaged or fails to operate?

To get the best performance from your new equipment you should take care of your bike as you would for any other means of transport and be sure to check parts for wear and tear, getting any damage repaired quickly. Although you don't own the bike, you are the custodian of it and therefore it is your responsibility to keep it well maintained

- What happens if my bike is stolen or accidentally damaged?

Please remember that although your employer owns the bike, it is your responsibility to look after it. We recommend that you make arrangements to get your bike fully insured. You may be covered by your home contents insurance, but it is your responsibility to check with your insurers.

Payments will **not** stop or be suspended due to loss or damage to the bike.

For a great deal on Cycle Assist cover please visit www.salaryexchange.totalcycleassist.co.uk

- Can I use the scheme to get a bicycle for a family member, partner, friend etc?

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

- Can I apply for more than one bicycle?

Yes, providing that you use both for commuting to work, and the total cost is no more than the maximum limit set by your employer.

- Can I get change back if I do not spend the whole value of the LoC?
No, you cannot get change back if your bike costs less than the Letter of Collection (LoC) value, so it is important that you check the price of the bike in store **before** placing your order. Orders are placed in increments of £10.00.
You can use any leftover value on your LoC to obtain cycling safety accessories.
- Can I add my own money to get a higher value bike?
No. Under the rules of the scheme you are not permitted to add your own money to the amount you have specified on your order. For this reason it is important to establish the correct price of your bike and accessories **before** placing your order.
- What happens if I decide I no longer wish to use the bike for commuting after I have joined the scheme?
You will no longer qualify for the tax relief afforded to this benefit. In such circumstances you will need to advise your HR department and/or your payroll department, who will arrange for the remaining salary reductions to be taken from your pay after tax and National Insurance have been deducted. You cannot return the cycle and have your salary re-adjusted as the Hire Agreement is **non-cancellable**.
- Will joining the BikeScheme affect my pension or other benefits?
Because salary sacrifice reduces gross salary, this may impact upon pensions and other benefits. Salary Exchange are not tax/pensions/legal advisors - so it is best to check with your financial advisor or employer before signing up if any of the following apply to you:
 - If you have a pension
 - If your Pension contributions are based on gross earnings
 - If you are close to retirement and have a final salary pension
 - If you are entitled to a contributions based benefits like the state pension
 - If you are entitled to earnings related benefits for example maternity allowance
 You can also call Bike scheme on 0330 100 2313
- What Happens when I reach the end of my Hire Term?
Although you will have benefited from full use of your bike for the length of the hire term, your employer owns the bike for the duration. It is important that the employee is not deemed to be given the automatic right to own the equipment otherwise they would not be able to benefit from the tax exemption. At the end of the hire term, your employer **may** offer the bikes to their employees, although this is the subject of a separate agreement. Test Text..
- If I apply and then change my mind can my order be changed or cancelled?
If the scheme enrolment period is still open please telephone the helpdesk on **0330 100 2313** (charged at local rate) as soon as possible during office hours. Depending on the stage of the scheme it may be possible to change or cancel your order.
Remember that once you have sent off your signed Hire Agreement the order is **non-cancellable**. However, if the enrolment period is still open it may still be possible to change your order.

- What Cycle safety equipment is available?

Cyclists' safety equipment is not defined in the legislation and a common sense approach should be taken when selecting it. This could include:

- cycle helmets which conform to European standard EN 1078
- bells
- bulb horns
- lights including dynamo packs
- mirrors and mudguards to 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 and spoke reflectors
- child seats