

ON YOUR BIKE



EBCam

Employee Benefits

ABOUT EBCAM

EBCam Ltd is a specialist Employee Benefits firm focusing on providing comprehensive, engaging and rewarding benefits to employees.

We work with employers to design, manage, and support a range of employee benefits to aid in the attraction of new, and retention of existing employees.

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EBCam Ltd is authorised and regulated by the Financial Conduct Authority (FCA registration number 921376).

Following the announcement made by Boris Johnson on 10 May 2020, whereby he encouraged those people who could not work from home, to return to work while avoiding public transport where necessary, could now be the right time to implement a cycle to work scheme? We have outlined some brief Q&A's on Cycle to Work schemes below:

What is a Cycle to Work scheme?

A scheme whereby an employee can sacrifice an element of their monthly salary, in exchange for a bike which they will use to cycle to work.

What are the benefits?

For an employee they will benefit from Income Tax and National Insurance savings on the cost of the bike. For the employer, you will save Employers National Insurance on the amount an employee pays each month towards the bike, as well as supporting a healthier lifestyle for employees if they cycle, it will also provide a method of transport to work for those who are normally reliant on public transport.

How much can an employee spend on a bike?

You can set the limit, the rules recently changed to increase it from the previous £1,000 limit. Some companies will still stick to a £1,000 limit as this would tend to provide a bike of a good enough quality to cycle to work. This is something that can be discussed to determine what value is reasonable for your employees.

Is it just a bike an employee can buy through a Cycle to Work scheme?

No. An employee can also purchase certain safety equipment such as high visibility clothing, a helmet or a bell. The full list can be issued upon request.

Are electric bikes allowed?

Electrically Assisted Pedal Cycles (EPAC's) known as 'pedelcs' can be purchased through the cycle to work scheme. The recent change in limits was to allow for these types of bikes. There are certain criteria governing these, such as speed and power. Throttle type e-bikes would usually fall out of the scope of cycle to work.

Who owns the bike?

The employer purchases the bicycle and is the legal owner. A loan agreement is in place, usually for 12 months. At the end of the loan agreement the ownership can pass to the employee although there would be a tax charge under UK benefit in kind rules. Usually the employee agrees to an extended loan period, possibly with a small administration charge. At the end of the extended loan period the ownership of the bike is then passed to the employee. This is normally managed by your cycle to work provider.

What about if an employee leaves?

You would deduct any remaining payments from their final payslip.

How can I set up a scheme?

There are a number of different companies who offer Cycle to Work scheme. We can provide you with a list of those we would recommend based on our previous experience. You can then set the scheme up with that provider directly, or we are happy to support this for you.