

A person in a dark suit is riding a bicycle. The background is a modern building with large glass windows, reflecting the sky. The scene is lit with warm, golden light, suggesting sunrise or sunset. The overall mood is professional and active.

sodexo
QUALITY OF LIFE SERVICES

CYCLE TO WORK WITH SODEXO

In partnership with **cycle²work**



CYCLE TO WORK WITH SODEXO

Changes in cycle to work regulations mean it is now possible to lift the £1,000 cap on applications, meaning your employees will be able to access an even wider choice of eBikes and higher specification bikes via the scheme.

Sodexo have made the decision to provide this new and improved scheme via our partner Cycle2Work (Halfords, Cycle Republic, Tredz and 850+ Independent bike stores), who we have worked closely with for the last 12 years.

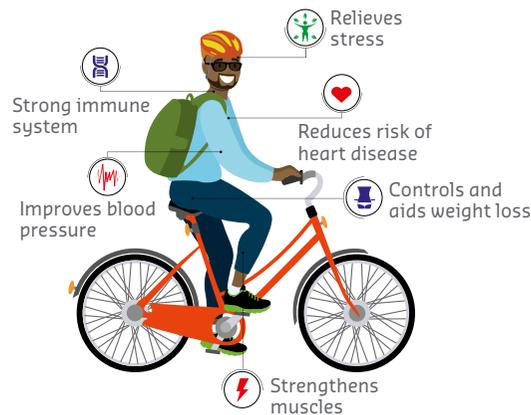
Cycle2Work are the fastest growing cycle to work provider over each of the last four years, they share their passion for commuting by bike, whilst offering businesses and employees alike, the very best in choice, value and service.

For Sodexo and Cycle2Work, our customers are at the heart of everything we do, keeping us focused on delivering the ultimate cycling journey. Via this new scheme, we're proud to offer a solution that's suitable for everyone – making it easier than ever to live a fitter, healthier lifestyle.

WHAT IS CYCLE TO WORK?

Cycle to work is a government initiative that was introduced in 2001 to encourage more people to commute to and from work by bike, enabling people to make healthier choices and reducing the UK's carbon footprint.

The initiative also allows employees to make Tax and National Insurance savings on the cost of a new bike and safety accessories. These savings are achieved via salary sacrifice which is managed by their employer.



A CYCLING REVOLUTION

Cycle2Work are a founding member of the Cycle to Work Alliance ("CTWA"), a group that aims to promote the benefits of commuting by bike, and that works closely with the government and the wider policy-making community to encourage more people to cycle. The CTWA campaign for cycling inclusivity – and it is their work that has pioneered the recent changes to the guidance for employers.

That's why Cycle2Work, are happy to support these changes which mean that everyone from fair weather riders to hardcore cyclists can now get whatever they need to commute by bike, irrespective of their budget.

SO WHAT ARE THE CHANGES?

Previously, employees hired their bike from their employer. This was made possible by the Financial Conduct Authority ("FCA") exemption that allowed employers to loan a cycle and associated safety equipment to their staff up to the value of £1,000.

However, this maximum limit has now been removed in instances where a third party with pre-existing FCA authorisation (such as Cycle2Work) hires the goods directly to the employee, even though the cost is still recovered by the employer through salary sacrifice deductions.

This £1,000 maximum will also not apply if the employer is authorised by the FCA for another separate regulated activity.

THE CHOICE IS YOURS

In response to these legislative changes, Cycle2Work have updated their contract agreements so that they can use their authorisation to agree any limit on your cycle to work scheme. So now everything from the newest e-bikes to high-end bikes and specialist accessories are available, giving employees the best choice possible.

But of course, if you wish to remain with the £1,000 limit, this is completely your decision.

It's important to note, that regardless of scheme limit, from now on all new client schemes will introduce the Hire Agreements between Cycle2Work and the employee. This new approach offers clear commercial gains for employers by way of increased National Insurance savings and the removal of FCA authorisation fees (if they are already authorised for the purpose of having a higher limit).

The Department for Transport has also clarified that it is no longer acceptable to 'add funds' (also known as 'topping up'). This means that any employee in need of a bike or package worth £1,000 or more must go through the new process.

WHAT ADMIN IS INVOLVED?

To ensure that employees continue to benefit from great Tax and National Insurance savings through Cycle2Work, they will be required to enter into a salary sacrifice agreement at point of application. Once their application is submitted, all the employer must do is authorise their request and implement the deductions over an agreed period of time (most commonly 12-18 months). It's as easy as that!

All employee applications and employer approvals and admin is managed on the Sodexo salary deduct platform.

WILL THE EMPLOYER & EMPLOYEES STILL MAKE SAVINGS?

Absolutely! Employers will still make National Insurance savings of 13.8% when running Cycle2Work, and benefit from 0.5% savings on the apprenticeship levy.

Employees will also continue to make between 32% and 47% tax and National Insurance savings on the cost of the bike and safety accessories, dependent upon the level of tax they currently pay.

See the tables opposite for examples of savings made by both the employer and employee.

	EMPLOYEE SAVINGS		
Gross cost of a bike and accessories	£1,000	£1,750	£2,000
Basic rate tax payer saving (32%)	£320	£560	£640
Higher rate tax payer saving (42%)	£420	£735	£840
Additional rate tax payer saving (47%)	£470	£822.50	£940

EMPLOYER SAVINGS		
£1,000	£1,750	£2,000
£138	£241	£345

Above savings based on 13.8% NIC savings

SO WHAT IS THE PROCESS?



Employer signs Supplier Agreement with Cycle2Work



Employer sets scheme limit



Window set-up on Sodexo salary deduct platform



Employee makes online application



Employee agrees to a Hire Agreement with Cycle2Work



Employee agrees to a salary sacrifice with employer



Employer approves application and implements salary sacrifice



Letter of Collection issued to employee via email



Invoice raised by Cycle2Work and sent to employer for payment'

WHERE CAN EMPLOYEES REDEEM THEIR LETTER OF COLLECTION?

Cycle2Work is supported by a wide range of specialist bike dealers, catering to everyone regardless of their needs, budget, location or journey to work! This includes:

halfords

Browse in-store at Halfords or online at [halfords.com](https://www.halfords.com)

**cycle
republic**

Browse in-store at Cycle Republic or online at [cyclerepublic.com](https://www.cyclerepublic.com)

tredz

Browse in-store at Tredz or online at [tredz.co.uk](https://www.tredz.co.uk)

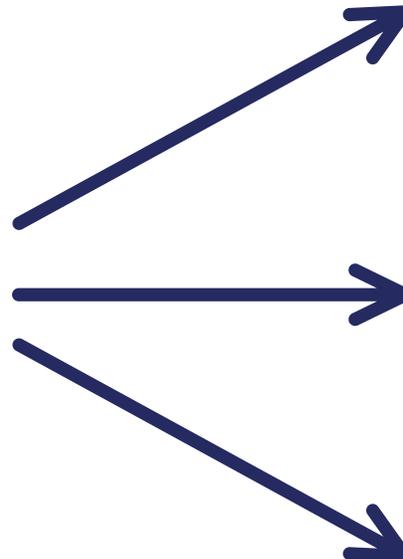
**Independent
Bike Shops**

Visit our store locator on www.cycle2work.info to see your local options

What's more, employees can also benefit from regular discount offers at Halfords, Tredz or Cycle Republic – saving them even more on their perfect bike and accessories!

WHAT HAPPENS AT THE END OF THE INITIAL HIRE PERIOD?

Cycle2Work offers three end of hire options:



01. ZERO COST EXTENDED HIRE Most popular option

This allows the employee to opt into an extended rental agreement at NO additional cost. They will have nothing more to pay, and ownership will be automatically transferred to them at the end of the extended hire period.

02. TAKE IMMEDIATE OWNERSHIP

This allows the employee to pay the HMRC Fair Market Value (usually 18% or 25% of the original value) and then the bike is theirs!

03. RETURN THE GOODS TO ANY LOCAL HALFORDS STORE

Use the store locator on www.halfords.com to find your local store. The bike is then cleaned and sent to our charity partner Re-Cycle.

ARE THERE ANY ADDITIONAL BENEFITS TO EMPLOYEES?

Of course! When employees enrol onto the Cycle2Work scheme, they will have access to the following fantastic benefits:

- Lifetime safety checks on all cycles obtained through the scheme
- Lifetime guarantee on Halfords brand cycles
- 10% discount* on cycling essentials within Halfords and Cycle Republic for 12 months
- 8 weeks free insurance
- Access to all instore sale and promotional prices at Halfords, Tredz and Cycle Republic

THE ABOVE PACKAGE IS WORTH UP TO £150