

Cyclescheme FAQs

Travel Advice
March 2023

The Open University's Cyclescheme FAQs

Who does the bike belong to?

It belongs to the Open University for the 12-month period of the salary sacrifice.

You will be leasing the bike from The Open University for 12 months.

At the end of the hire period the employee must make another payment to take ownership of the Cyclescheme Package. Without this payment HMRC would class the agreement as hire purchase (rather than hire), and as such the tax exemption would not be available.

Cyclescheme handles all aspects of End of Hire administration and deals directly with employees to ensure they achieve the highest level of savings, whilst also ensuring the scheme is compliant with HMRC guidance.

The Cyclescheme process offers three simple options

- *extend, pay or return*. With 94% of Cyclescheme participants opting to 'extend', it's clear that the high level of savings offered, coupled with the incredibly simple process - it takes just a minute to complete online - strikes the perfect balance between simplicity, ease and savings. Here's how it all works.

Extend

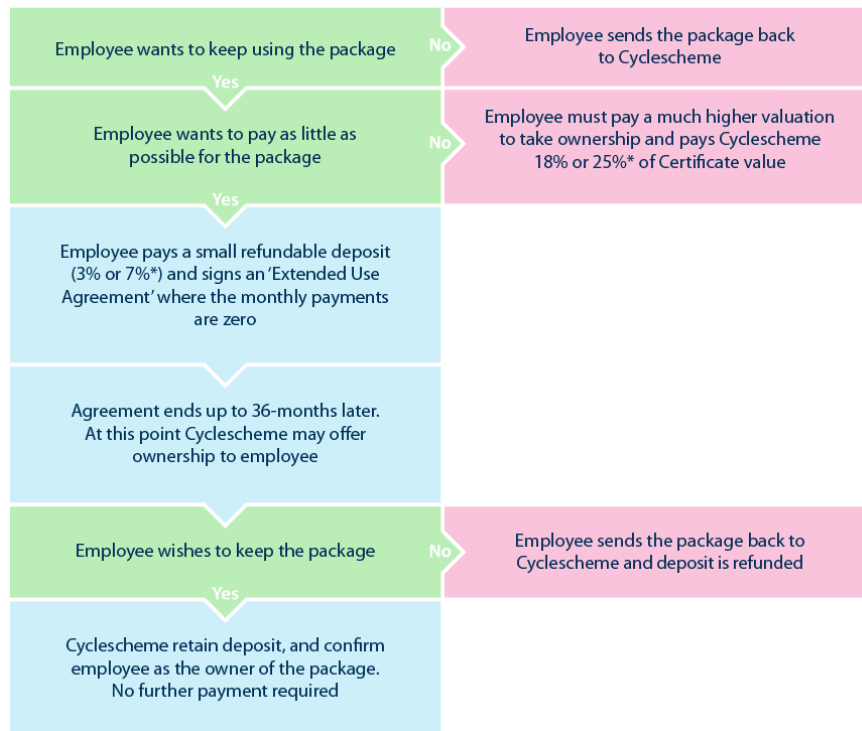
The employee makes a one-off deposit (of either 3% or 7% of the packages' original value) and continues to hire the bike (under an Extended Use Agreement with Cyclescheme), free of charge, for a further 36 months until its 'market value' is at its lowest (either 3% or 7%). At which point Cyclescheme can transfer ownership to the employee at no further cost.

Pay or Return

Alternatively, employees can pay to take ownership of the Cyclescheme package straight away, by making a payment of either 18% or 25% of the bike packages' original value. This dramatically reduces their savings but does transfer ownership immediately to the employee. Finally, an employee can opt to return the bike to Cyclescheme if they do not wish to take ownership.

To view a guide to Cyclescheme's easy End of Hire process please [**click here**](#)

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What does “salary sacrifice” mean?

Salary sacrifice means giving up part of your salary in exchange for a benefit, in this case, a bicycle.

Salary sacrifice cannot be used if your monthly payments take your remaining gross salary to below the minimum wage.

Can I use the scheme to purchase accessories only as I already have a bike?

Yes. Your Cyclescheme application can include accessories without the need to include a bike in your request. This can be done by going through the request process in the normal way and when you get to the section titled 'Package Details', select 'Accessory Package'.

You will then be able to enter the exact equipment/accessories you wish to get through the scheme.

What accessories can I include?

You can include safety accessories associated with riding the bike to work, so a helmet, reflective wear etc. is fine.

Non-related items like downhill helmets, energy food or car racks are not

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allowed.

Suitable accessories include:

- Cycle helmets which conform to European standard EN1078
- Bells and bulb horns
- Lights, including dynamo packs
- 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 be safely secured
- Pumps, puncture repair kits, cycle tools and tyre sealant to allow for minor repairs
- Reflective clothing along with white front reflectors and spoke reflectors

Can I use the scheme to purchase an e-bike conversion kit or components for a bike I already have?

Yes. Please follow the steps below before applying for a Cyclescheme voucher.

1. Research options and receive advice
2. Find a retailer offering this service
3. Use Cyclescheme's retail finder to check they are partnered with Cyclescheme
4. Check and agree with the retailer that you can use the voucher for this purpose

Can I use my voucher to buy a bike for somebody else?

No. The voucher is not transferable to friends, family, other employees, or anybody else.

What happens if the bike is stolen?

Please make sure your bike is insured, as if it is stolen during the hire period you will still have to make the remaining payments.

When do I start paying?

Your monthly salary sacrifice will normally begin in the next pay period after your voucher has been issued to you. There are occasions that

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payments are taken out before you have received your bike as it will depend on what stage of the process you are at when pay day falls.

Check with Staff Payments for confirmation.

Can I pay off the balance early or pay over a shorter time?

No. The commitment will run for 12 months.

What happens if I'm off work?

If you take maternity leave, unpaid leave, holiday or sick leave that takes your monthly salary to below the amount of your salary sacrifice, The University will suspend your payments until you are earning again.

What happens if I leave The Open University before I have paid fully?

If you leave the University or retire, your bike becomes a taxable benefit.

The balance remaining on the price of your bike will be deducted from your final net salary.

As these will no longer be part of the salary sacrifice you will not save the income tax or National Insurance on the remaining balance.

What if I want to buy a bike that costs more than the voucher limit?

The Open University's policy is that any voucher value will be capped at £1,250 for bicycles and £1,500 for e-bikes.

The HMRC have removed the top up facility where previously applicants could apply for a voucher for £1,000 and then pay the bike shop the extra money if the item was higher than £1,000.

Is there a minimum spend?

There is no minimum spend. Cyclescheme supports local independent bike shops, and the cheapest bikes tend to cost around £200.

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I'm a PhD Student. Why can't I join the Scheme?

Sorry, you are not an employee of The Open University therefore you do not have tax or National Insurance deducted so would not make any savings, therefore this scheme would be of no benefit to you.

My OU staff number is 8 digits long, I can only enter 7 digits on the application screen – what do I do?

You will be able to enter your staff number if you omit the first 0.

I'm a temporary worker or have a short-term contract with the OU. Can I join the Scheme?

Yes, under certain conditions but you must be on a salaried contract with at least **12 months still left to run** at The Open University to enable the salary sacrifice to be set up by staff payments.

I'm based at a regional centre; can I still join the scheme?

Yes, Cyclescheme have stores covering most of the UK and Northern Ireland.

The Republic of Ireland has its own separate scheme. Further information can be found at [Cyclescheme ROI](#)

If the employee lives and is paid overseas then they will be subject to the local tax regime and not that of the UK.

What is the employer code for the Cyclescheme Calculator?

The Cyclescheme Employer Code for The Open University is '651dfc'.

What if I change my mind and want to cancel my application?

If you are in any doubt about whether the scheme is suitable for you then please do try and contact Cyclescheme or Travel Advice so that any concerns may be worked through before you submit your application. Cancelling your application can take some time and you may still have to pay some instalments whilst the process takes place.

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If you do decide that you wish to cancel, please notify Travel Advice that you wish to cancel with the reason why you wish to cancel before you cancel your application online. This gives us warning that you are going to cancel so that processes can be started. This helps you by giving us the earliest opportunity to reverse the process.

I bought a bike last year via the scheme. Can I reapply for one this year?

If you have completed all of the 12 months payments via Salary Sacrifice and have been in contact with Cyclescheme to arrange the final transfer of ownership of the bike then you will be eligible to apply for another bike via the scheme. If in doubt check with Cyclescheme directly.