

## **SOUTH EAST TECHNOLOGICAL UNIVERSITY WATERFORD CAMPUS- BIKE TO WORK SCHEME**

This scheme should be read in conjunction with the Guidance Document on the Provision of Bicycles for Directors and Employees issued by Revenue in December 2008

### **TERMS AND CONDITIONS OF THE SCHEME**

South East Technological University is participating in the tax incentive announced in the Budget 2009 and enacted in the Finance Act (no. 2) 2008.

The Cycle to Work Scheme (generally known as the Bike to Work Scheme) is a tax incentive scheme to encourage employees to cycle to work. Under the scheme an employer can pay for a new bicycle (including bicycle accessories) and the employee then repays the cost in regular instalments from their gross salary.

You are not liable for [tax, PRSI or the Universal Social Charge](#) on your repayments.

Your employer does not have to take part in the scheme. However if they do, they must offer it to all their employees. If you are self-employed you are not entitled to avail of the Bike to Work Scheme unless you pay PRSI as an employee in addition to your self-employed work.

The effective date for the South East Technological University Scheme is 1<sup>st</sup> May 2009.

### **QUALIFYING CRITERIA**

1. Applicants for inclusion in the Scheme must be employees of the University on a contract of employment that outlasts the repayment period i.e. **12 months and must be in receipt of a salary / wage directly paid by the University.**
2. Employees will be required to sign a statement to the effect that the bicycle and any associated equipment will be used mainly for qualifying journeys i.e. journeys to and from work and /or between work places.
3. Payment for the bicycle must be made through a salary sacrifice (payroll deduction) **over a maximum period of 12 months from the date of purchase.** Applicants must sign the attached payroll deduction authorisation. Deductions will begin in the next available payroll once the Purchase Order is sent to the bike shop.
4. As an employee you can use the scheme once every 4 years. The four-year span between tax breaks is counted by tax year. If you bought a bike in 2018, regardless of the month, you could buy a new bike and avail of the next tax relief in January 2022.

5. The scheme **is not retrospective** and the University will not reimburse any employee or be responsible for any liabilities or commitments previously entered into, agreed or paid for.

## **QUALIFYING BICYCLES AND EQUIPMENT**

The scheme covers the following items, which must be purchased as new (not second-hand):

- New bikes and pedelecs (electrically-assisted bikes that require some effort to propel)
- Cycle helmets
- Bells and bulb horns
- Lights (including dynamo packs)
- Mirrors
- Mudguards and skirt guards
- Cycle clips
- Panniers, luggage carriers and straps
- Locks and chains
- Pumps
- Puncture repair kits, cycle tool kits and tyre sealant
- Reflective clothing
- Bike reflectors

The scheme does not include motorbikes, mopeds, scooters or second-hand bicycles or equipment or bicycle parts or associated equipment.

The scheme applies to bikes and related safety equipment up to the value of **€1,250** for bicycles, up to the value of **€1,500** for pedelecs or e-bikes and up to the value of **€3,000** for cargo and e-cargo bikes.

All bicycles being purchased under the scheme must be new, complete, fully assembled adult bicycles – the scheme does not cover the purchase of individual bicycle components – with the exception of qualifying safety equipment. The purchase of second hand equipment is not eligible for inclusion in the Scheme

Bicycles purchased under the scheme must be fit for purpose and participating employees should satisfy themselves that any equipment being purchased is capable of being used for the intended purpose.

## **GENERAL CONDITIONS**

The employee should satisfy his/herself that the Cycle Package (the bicycle and related safety equipment) being purchased is suitable and appropriate to their personal use, that they are competent in its use and that it is medically safe for him/her to use.

The employee shall be solely responsible for any fines or penalties imposed arising from use of the Cycle Package and agrees to indemnify South East Technological University in respect of any claims made against it and all damages, costs and expenses incurred as a result of any claim or third party claim arising out of the state, condition or use of the Cycle Package.

The use of the Cycle Package for both qualifying journeys and other usage is entirely at the employee's risk.

The employee is responsible for the maintenance and safe-keeping of the Cycle Package.

In the event of loss, theft or equipment failure, the employee shall remain liable for any outstanding amounts due to the University in respect of the Cycle Package.

The Cycle Package cannot be sold or disposed of to any other party for the duration of the repayment period.

The employee shall make the Cycle Package available for inspection by the University at any reasonable time with the repayment period.

## **OPERATION OF SCHEME**

The employee completes and submits the Cycle to Work Application Form which includes salary/wage deduction authorisation, usage statement and indemnity.

The employee personally selects a Cycle Package at the retailer of his/her choice and obtains a written quotation outlining the exact specification and cost which should include VAT and any delivery or other charges that may apply.

The quotation is submitted by the employee to the University and subject to approval, the University will issue a Purchase Order to the retailer.

Once the quotation has been submitted and Purchase Order issued, the employee **cannot change their mind** and is committed to continue with the scheme.

The University will pay the retailer on production of a VAT invoice and confirmation of delivery – confirmation of delivery to be by way of a delivery docket signed by the employee and stating that “the goods have been received in full and are in good working order”.

Arrangements for delivery / collection are a matter to be arranged between the employee and the retailer.

Payroll deductions will commence on the next available payday – deductions will be made from gross pay at the rate of:–

The invoiced value, inclusive of VAT, of the Cycle Package divided by either 26 or 12 (depending on whether the employee is paid fortnightly or monthly)

If an employee, for any reason, leaves the employment of South East Technological University before the full amount is repaid, the outstanding balance will be deducted in full from any sums due to the employee and paid over to the University of Technology. Where there is insufficient net pay to clear the outstanding debt the employee contracts to reimburse the University by way of payment of full monies still owed.

## FREQUENTLY ASKED QUESTIONS

- **Is the VAT element of the purchase price recoupable?**  
No – the University cannot claim input credits in respect of VAT paid for any purpose
- **Can I get a bicycle that costs more than €1,250 or ‘e-bikes more than €1,500?**  
Yes – however the maximum amount that the University will pay the retailer is €1,250 and €1,500 for ‘e-bikes’. Any balance in excess must be paid directly by you to the retailer.
- **Can I avail of the scheme if I already own a bicycle?**  
Yes – you can avail of the scheme if you already own a bicycle and wish to acquire a newer or more suitable model
- **What happens if I trade in an existing bicycle?**  
If you trade in your current bicycle, the University will only pay the net invoiced cost i.e. the cost of the new equipment less any value allowed for the trade in. The University will not pay for or refund any cash differences.
- **Who owns the bicycle?**  
The bicycle and safety equipment on purchase becomes the property and responsibility of the employee subject to the re-payment of the full amount due.
- **How do I save money on the Bike to Work Scheme?**  
As an employee you save on the costs of cycling to work because your repayments come out of your salary before tax, USC and PRSI are deducted. This means that someone on the highest rate of tax will save almost half of the cost of a new bike and equipment.
- **How long will it take to get my bike?**  
Once HR receive the required documentation, we will process the request. From the time the quotation is provided it may take 4-5 weeks for the process to be completed. This is outside the timeframe that the Bike Shop may require to arrange your equipment.

Happy Cycling!

## South East Technological University Cycle to Work Scheme

Application form, authorisation to make deductions from payroll, indemnity and statement of usage

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I wish to participate in the bicycle to work scheme, I have read the terms and conditions of the scheme and agree to abide by same.

### Use of Bicycle and related safety equipment

I understand that the bicycle and related safety equipment are being provided to facilitate cycling to and from work and / or between workplaces.

I hereby undertake to use the Cycle Package provided under this scheme mainly for cycling to and from my workplace and / or between workplaces.

### Indemnity

I understand that South East Technological University will not be liable for or have any responsibility whatsoever for the performance, maintenance or use of the Cycle Package purchased and will not be in anyway responsible for liable for any claims, loss, damage or personal injury caused as a result of use of the Cycle Package.

I hereby agree to indemnify South East Technological University against all and any claims made against it arising from the use of the Cycle Package by myself or others and against third party claims of any nature or fines or penalties incurred as a result of my own or others use of the Cycle Package.

**Staff/Payroll No.** \_\_\_\_\_ **Department** \_\_\_\_\_

**Name** \_\_\_\_\_

**Home Address** \_\_\_\_\_

\_\_\_\_\_

**Daytime Tel. No.** \_\_\_\_\_

**E-mail address** \_\_\_\_\_

**Signature** \_\_\_\_\_

## South East Technological University Bicycle to Work Scheme

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### Salary / Wage deduction

I authorise South East Technological University to deduct a sum equal to the total amount paid by the University in respect of a bicycle and related safety equipment provided to me from my salary/wages.

I request that the payments be deducted each **month**     **or**     **fortnight**  
over a \_\_\_\_\_ (1- 12) month period commencing on the pay day following delivery.

I understand that this authorisation is irrevocable.

Should I cease to be employed by South East Technological University for whatever reason, I agree to immediately clear any outstanding balance due, thus authorising deduction from any monies due to me if necessary.

**Staff/Payroll No.** \_\_\_\_\_

**Department** \_\_\_\_\_

**Pay Frequency** \_\_\_\_\_ (monthly/fortnightly)

**Name** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_