



# Cycle to Work Scheme Information For Employers

## How it works

1. Employer agrees to provide the scheme to employees and puts company policy in place as to when applications open/close and duration of repayments (up to 12 months max)
2. Employee asks permission from Employer to do the cycle to work scheme.
3. Employees choose a bicycle and accessories up to €1250 (€1500 for ebikes). If they want to spend more than this, they pay the excess directly to the Bike Shop.
4. Employee fills forms (received from Employer or Bike Shop), and obtains an invoice made out to the Employer/Company for the amount up to €1250 inc VAT.
5. Employer processes the Salary Deduction as a Taxable Allowance through payroll
6. Employer pays the Bike Shop directly by bank transfer or cheque.
  - a. Vouchers may be used but direct payment is greatly preferred due to high commission fees on vouchers.
7. Employee collects the bike and pays any excess to the shop.

## Benefits to Employee

- Save up to 52% on an bike and accessories (dependant on tax rate)
- Spread the cost interest free up to 12 months (dependant on employer's policy)

## Benefits to Employer

- Happy and healthy employees are more efficient and productive.
- Saving of Employers PRSI tax on each employee.
  - As the total taxable wage is reduced, the Employers PRSI liability of 8.6% or 10.8% is based on the reduced wage.

## F.A.Q.

### **Do the repayments to the employer have to be over 12 months?**

No, the company can choose the length of repayment time up to a maximum of 12 months?

### **Does the company have to make it available to all employees?**

Yes, however some companies limit the amount of applications per year or have a limited time period in which employees can apply each year.

### **What if the employees leave before the full repayments are made?**

The company can deduct the remaining amount due from the final wage payment in the case of the employee leaving.

### **Can the employee pay the initial payment and be reimbursed by the company?**

No, the company must pay the bicycle supplier directly and take the repayments from the employees wages as a non-taxable deduction.

### **Can the employer buy the bicycle as an incentive for the employee and not require repayment?**

Yes, up to a value of €1250. Any value over this is classed as Benefit in Kind.

### **Can the employee buy a bicycle for over €1250?**

Yes, the excess can be paid by the employee directly to the bicycle supplier.

### **Do you accept Cycle to Work Vouchers?**

Yes. However, do check which Voucher Company you use if already set up. Please talk to us before setting up with any Cycle to Work Companies. Direct Payment is preferred, as the Voucher Companies charge the bike shop a large commission fee. We can provide all the paperwork necessary to process the Cycle to Work in house. It's very easy.

Further Information from Revenue:

<https://www.revenue.ie/en/employing-people/what-constitutes-pay/items-not-treated-as-pay/provision-of-bicycles-for-directors-and-employees.aspx>

**If you have any other questions please call us on 049 8547886 or email [info@feelgoodbicycles.ie](mailto:info@feelgoodbicycles.ie) and we will be happy to help.**

