



Glasgow City Council

Scheme Rules

Call us free on 0800 612 7110

glasgow.widerwallet.com

Introduction

Glasgow City Council is pleased to provide a Workplace Bikes scheme, making it easier for you to cycle to work.

Workplace Bikes offers a cost-effective way for you to enjoy a brand new bike and cycling accessories, for use in commuting to or from your place of work.

You can choose your cycle and equipment from Halfords or from their extensive network of independent retailers. The scheme is suitable for all abilities, with available equipment ranging from entry-level bikes through to a specialist range, up to a retail value of £1,500.

The scheme is administered by the Workplace Bikes team at Wider Plan, a specialist employee benefits company.

Joining the scheme

You can join the scheme through your Employee Benefits Platform on the Glasgow City Council Wider Wallet website.

If you have not yet signed up for Wider Wallet you can register online at glasgow.widerwallet.com.

To join the scheme you will need:

- The scheme reference number, which is S196242G.
- Your payroll number and National Insurance number (and any other employer specific criteria), which can be found on your payslip.

How does the scheme work?

The scheme works through a system known as salary sacrifice, where you exchange or “sacrifice” part of your gross pay in return for the use of your chosen bike and accessories.

The amount of your salary sacrifice and the details of the benefit you will receive are recorded in a “salary sacrifice agreement”, which is a legally binding variation to your employment contract.

The scheme is considered to be a hire arrangement with your employer hiring the bike and accessories to you in exchange for a hire charge which is covered by your salary sacrifice. Cycle to work schemes are not regulated under the Consumer Credit Act 1974 due to an exemption issued by the Financial Conduct Authority. If you would like to know more about your consumer rights, contact your local Trading Standards Department or your nearest Citizens’ Advice Bureau.

Your salary sacrifice and hire agreement will last for 18 months.

If your earnings are on or close to the National Minimum Wage you may not be able to participate by salary sacrifice.

How much will I save?

Your savings will depend on the price of your cycle and the amount of tax and National Insurance you normally pay. The examples below illustrate the potential savings for LoC order values of £350 and £850 respectively.

Tax band	Percentage saving	Example (£350 order value)		
		Reduction in your monthly net pay <i>(based on 18 month contract)</i>	Total reduction in net pay <i>(over 18 months)</i>	Overall saving against retail price
Basic rate	32%	£13.22	£238.00	£112.00
Higher rate	42%	£11.28	£203.00	£147.00
Additional rate	47%	£10.30	£185.50	£164.50

Salary sacrifice is £19.44 per month from your gross salary, for 18 months.

Tax band	Percentage saving	Example (£850 order value)		
		Reduction in your monthly net pay <i>(based on 18 month contract)</i>	Total reduction in net pay <i>(over 18 months)</i>	Overall saving against retail price
Basic rate	32%	£32.11	£578.00	£272.00
Higher rate	42%	£27.39	£493.00	£357.00
Additional rate	47%	£25.03	£450.50	£399.50

Salary sacrifice is £47.22 per month from your gross salary, for 18 months.

Collecting your hire equipment

Once your employer has confirmed your request, you will receive a Letter of Collection (LoC) from Halfords.

With this letter, you will be able to collect your bike and accessories from any Halfords store or, by prior agreement, from their network of independent retailers.

If the equipment required is from the Halfords store range, you can have it delivered to you. The cost of the delivery will be £14 (inc VAT), payable directly to Halfords.

When redeeming your LoC, you must take with you a form of identification (passport, driving licence etc), and proof of your address (utility bill, council tax bill etc). The LoC is not redeemable for any other purpose and may not be redeemed by any other person, even if you have authorised them to.

The LoC will be issued for a specific monetary value which you will choose when you sign up for Workplace Bikes. Once the LoC has been issued, it cannot be changed or returned. The LoC must be redeemed at a Halfords store within 4 months of its issue.

If your hire value is less than the value of the LoC, no change will be given. Please ensure that you order a LoC of a high enough value to cover your chosen equipment, as the regulations mean that Halfords cannot accept a personal top-up payment.

Ownership of your equipment

The equipment will be provided to you on a hire basis for the duration of your agreement and will be the property of your employer. You are not permitted to profit from, transfer, sell or dispose of your equipment at any point during the hire period.

Using your hire equipment

The equipment is for your sole use only and is mainly for commuting purposes. You are permitted to use the cycle for non-commuting journeys, but at least half of the journeys for which you use the cycle should be connected to commuting.

Under HMRC regulations, if your employer has clear evidence that the cycle is not being used in the manner it was intended, your agreement may be terminated and you may become liable to tax and NI on the original value via P11d. Halfords will not supply cycles or equipment under this scheme which are inappropriate for cycling to work (such as children's bicycles).

You are responsible for the care and maintenance of the equipment during the period covered by the hire agreement. If the equipment is lost, stolen or destroyed, you will remain liable for paying the hire charge until the end of the hire period. If you do not replace the cycle, and are therefore unable to continue cycling to work, your employer may terminate your scheme membership and a termination fee will be applied to cover the outstanding hire charges.

It is your responsibility to maintain adequate insurance cover for the cycle and any accessories. You should tell your insurer that your employer has an interest in the property.

What happens at the end of my hire period?

At the end of your hire agreement, you will either be asked to return the cycle and accessories, at your own cost, to your employer, or you may be provided with an option which will allow you to retain the equipment.

Under the rules governing the tax and National Insurance exemption, it is not possible for you to have an automatic right to take ownership of the cycle and accessories at the end of the hire period.

If your employer decides to allow you to retain the equipment, you may be required to make a payment equivalent to the residual value of the equipment, which will be based on a matrix of values provided by HMRC.

Changes and cancellations

It is not normally possible for you to cancel or change the salary sacrifice agreement except during an initial 14 day cooling off period. However, you may be allowed to change or cancel the agreement, with your employer's consent, if you experience one of the following "lifestyle" changes:

- A significant change in your working pattern or other work arrangements.
- A career break of six or more months.
- Long-term sick leave or maternity leave.
- A medical condition meaning you are no longer able to cycle.
- Any other employer defined lifestyle changes

You will be asked to provide reasonable evidence of your change in circumstances. Any change or cancellation may mean that you are no longer eligible to receive tax and National Insurance savings through this scheme.

Your employer may deduct an amount equivalent to any outstanding hire payments from your net pay, to cover their costs. The impact of your change or cancellation will be notified to you in advance.

Your employer may also cancel your scheme membership, in a similar way, if you fail to abide by the scheme rules.

The bike and associated equipment remain the property of Glasgow City Council, to which it should be returned.

What if I am absent from work?

If you are absent from work during the period covered by the agreement, your salary reduction will remain in place and it will apply to any pay (excluding statutory pay) you receive during your absence.

If your non-statutory pay is insufficient for the agreed salary reduction to be applied, your employer will either apply a smaller reduction to your gross pay or apply no reduction. The duration of your salary sacrifice will then be extended until such time as the total amount of pay reductions equals the value of your Letter of Collection.

Impact on other benefits

Your salary sacrifice agreement will lead to your gross pay being reduced. This may affect your entitlement to statutory benefits, such as statutory maternity pay ("SMP") and state pension benefits.

Your employer will keep a record of your full notional salary (defined as the salary you would be receiving if you had not chosen to exchange part of it for access to a cycle and accessories). All non-statutory employee benefits will be based on your full notional salary, including:

- any pension scheme contributions and benefits
- any life assurance or critical illness benefits
- any salary-related pay rises or bonuses
- non-statutory redundancy benefits

This means that these benefits will not be affected by your membership of the Workplace Bikes scheme.

Before ordering your LoC and agreeing to a legally binding variation to your employment contract which may affect you financially, you are advised to seek appropriate advice.

Neither Glasgow City Council nor Wider Plan will be liable for any reduction in benefits, or any other financial loss, caused by you being a member of the Workplace Bikes scheme.

What happens if I leave this employment?

If you leave this employment, you will be required to pay a termination fee in respect of any outstanding hire charges. This will be deducted from your final net pay. If your final net pay is not sufficient to cover the amount owed, you must make arrangements to pay any outstanding amount to your employer within 30 days.

You do not have an automatic right to retain the cycle and accessories if you leave your employment. Unless your employer offers you an alternative option at the time, you should assume that it will be necessary for you to return the equipment. Your employer will advise you where to return the cycle and accessories at the appropriate time.

Conditions of membership

Any information which you provide to your employer, to Wider Plan or to Halfords in connection with the scheme must be honest and accurate.

If you are found to be in breach of the scheme rules or the terms and conditions, the salary sacrifice may not be effective and you may be liable to pay any tax or National Insurance which may arise. In addition, your membership of the scheme may be terminated and you may lose your entitlement to use the cycle and accessories. You may also be subject to legal proceedings and to disciplinary action which could result in dismissal from your job.

Any questions?

If you want to find out more about how the scheme operates, please contact the Workplace Bikes team on 0800 612 7110 or by email at info@workplacebikes.com.