

City of Cork Vocational Education Committee

Cycle to Work Grant Scheme

The Minister for Finance has introduced the Cycle to Work scheme that will enable many people living a short distance from work or a train station to reduce their dependence on car use.

The use of the bicycles purchased by employers will be free of Benefit In Kind (BIK) tax and will be fully tax deductible by employees that avail of the scheme.

A summary of the scheme is given below:

Commencement: The exemption (from BIK) will apply to expenditure incurred by an employer on or after 1 January 2010

Allowable Journeys: Whole or part (e.g. between home and train station) of a journey between the employee's or director's home and normal place of work, or between his or her normal place of work and another place of work.

Tax Exemption: €1,000 on the amount of expenditure an employer can incur in respect of any one employee or director.

Exemption from income tax in respect of the benefit-in-kind can only be availed of once in any five-year period by an employee or director.

Bicycles include: The exemption will cover pedal bicycles and tricycles, and pedelecs (electric assisted pedal bicycles). It will not cover motorbikes, scooters or mopeds.

Safety equipment included:

- Cycle helmets which conform to European standard EN 1078.
- 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 can be safely secured
- Pumps, puncture repair kits, cycle tool kits and tyre sealant to allow for minor repairs
- Reflective clothing along with white front reflectors and spoke reflectors

Employer – Points to note:

- The employer must purchase the bicycle/safety equipment.
- No notification process (to tax office) & no documentation required.
- Normal obligations on employers to maintain records (e.g. delivery docket, invoices, payments details, salary sacrifice agreements between employer and employee,
- Purchases are liable to vat which is not recoverable

Employee – Points to note:

- Maximum allowable exemption from BIK is €1,000 in a 5-year period

- Exemption is only permitted once in the 5-year period
- Exemption applies to safety equipment alone if associated to cycle to work
- Signed statements from employees that the bicycle/bicycle safety equipment is for own use and will be used for travelling to and from work
- Employee repays the employer over 12 month (maximum) by way of “Salary Sacrifice”
- Tax implications
- Repayments to employer are fully tax deduct able, where:-
 - There is a bona fide and enforceable alteration to the terms and conditions of employment (exercising a choice of benefit instead of salary).
 - The alteration must not be retrospective and must be evidenced in writing.
 - There must be no entitlement to exchange the benefit for cash.
 - The choice exercised (i.e. benefit instead of cash) cannot be made more frequently than once in a 5- year period.
 - The choice exercised (i.e. benefit instead of cash) must be irrevocable for the relevant year for which it is made.

Individuals wishing to avail of the Cycle to Work Scheme are required to:

1. Complete an Application Form (Appendix 1) which outlines the items to be purchased, and
2. Sign the Salary Deduction Authorization Form (Appendix 2) and
3. Read and agree to the conditions governing the scheme (Appendix 3).

Closing Date: Completed Application forms must be returned to the Payroll Department no later than Tuesday, 15th December, 2009.

Should you wish to commence this scheme at a later date, please contact the Payroll Department for dates.

Once the Salary Deduction arrangements have been put in place, the bicycle / cycle safety equipment may be collected from the supplier.

**City of Cork VEC Cycle to Work Scheme
Application Form**

To: Cycle to Work Scheme
City of Cork VEC

Please clearly mark envelope "Cycle to Work Scheme"

Current Post: _____

1. *Employee Personnel Details*

Name: (as on payslip) _____

Home Address _____

Contact Telephone No. _____

PPS No.: (as on payslip)

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Payroll No.: (as on payslip)

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2. *Supplier Details*

Supplier Name _____ VAT Number _____

Supplier's Bank details for EFT Payment:

Bank Account No.:

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Bank Sort Code:

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Bank Name & Address _____

Please ensure that the bank account is within the Republic of Ireland and will support the Electronic Money Transfer System.

3. *Details of Bicycle /Cycle Equipment Ordered*

Goods	Description	Price inclusive of VAT
Bicycle		
Cycle helmet conforming to European standard EN1078		
Bells and bulb horn		
Lights including dynamo packs		
Mirrors and mudguards		
Cycle clips and dress guards		
Panniers, luggage carriers and straps		
Locks and chains		
Pumps, puncture repair kits, cycle tool kits and tyre sealant		
Reflective clothing along with white front reflectors and spoke reflectors		
Total		

Please Attach Invoice For Bicycle /Cycle Equipment of Total Ordered.

***Cycle to Work Scheme
Salary Deduction Authorization Form***

I hereby authorize a salary sacrifice of € _____ as per invoice of my annual basic salary in lieu of the provision of new bicycle / cycle safety equipment by City of Cork VEC. I realize that this arrangement will operate until the salary sacrifice has been recouped and that the deductions will be reflected in my pay slips over that period (January to December).

I declare that the bicycle / cycle safety equipment supplied under this scheme is for my personal use and will be used primarily for qualifying journeys, i.e. journeys to or from work and/or between places of work and that such use is subject to any rules or conditions that are in force concerning the operation and use of the equipment.

I understand that I should use the bicycle in line with all rules and regulations as set out by the Road Safety Authority (RSA) and make use of proper cycle safety equipment at all times.

I confirm that I have read and I agree to Cycle-to-Work Scheme conditions and Circular Letter 54/2009.

To be completed by an employee who wishes to complete the salary deductions over a shorter period:

I wish to complete the salary deductions by _____ (enter date)

NAME: _____
BLOCK CAPITALS PLEASE

PPSN: _____

Signed: _____

Date: _____

Data Protection

City of Cork VEC will treat all personal data you provide on this form as confidential and will use it solely for the purpose intended. The information will only be disclosed as permitted by law or for the purposes listed in the VEC's registration with the Data Protection Commissioner

If the information you have provided is to be used for purposes other than outlined in the City of Cork registration with the DPC your permission will be sought.

Cycle to Work Scheme Conditions

1. The applicant must be employed in a Permanent, Contract of Indefinite Duration (C.I.D), Fixed Term, or Regular Part Time capacity at the date of application. The employment must be capable of lasting until the salary sacrifice has been recouped.

The employee must sacrifice or forego part of his/her annual basic salary in lieu of the provision of new bicycle/cycle safety equipment by the VEC. This arrangement will operate until the salary sacrifice has been recouped and this will be reflected in his/her pay slips over that period.

The new bicycle/cycle safety equipment acquired under the scheme must be used primarily for the purpose of transport to or from work and/or traveling between work places.

When purchasing a new bicycle, the employee must be aware that the National Safety Authority of Ireland implements on behalf of the European Commission certain bicycle safety standards. Bicycles that comply with such standards are presumed to comply with the EU General Product Safety Directive 2001/96/EC which lays down an obligation on producers to place safe products on the market.

The relevant standards are;

I.S. EN14764:2006 - city and trekking bikes,

I.S. EN14766:2006 – mountain bikes,

I.S. EN14781:2006 – racing bicycles.

More information on these matters can be accessed at <http://www.nsai.ie>

The employee will not be able to cease his or her participation in the scheme prior to the expiry of the salary sacrifice arrangement, except in cases of termination of employment. Where employment is terminated before the expiration of the salary sacrifice arrangement, the employee must pay the balance due to the VEC, which may be deducted from any outstanding payment due in termination of the employment. Where this is not possible, it may be then necessary for the VEC to recover the balance due from the employee.

Participation in the scheme will be limited to once in each five-year period.

The scheme applies only to new bicycle/cycle safety equipment purchased from approved providers.

Please see Appendix 4 attached for a list of suppliers in Cork City & County. Should you require a list of suppliers for other counties, please contact the Finance Office for a complete listing.

The payment for the bicycle / cycle safety equipment will be made to the supplier by the VEC. It will be a requirement of the scheme for participating suppliers that all warranties relating to the bicycle/bicycle safety equipment will be for the benefit of the employee and all issues arising in relation to the warranties will remain between the employee and the supplier.

The employee acknowledges that the VEC is not responsible or liable for the security, disposal, maintenance, repair and use of the bicycle or bicycle safety equipment.

The VEC accepts no responsibility for misuse of bicycles or equipment by the employees and asserts that bicycles and bicycle safety equipment acquired by virtue of the scheme are strictly non transferable.

Cycle Suppliers – Cycle to Work Scheme**CORK CITY:**

Company Name	Address	Phone Number	Fax Number	Email
Capwell Cycles	Capwell Road, Cork	021-4961530	021-4318387	marcoallie@hotmail.com
Carroll Cycles	Dillons Cross, Cork	021-4508923	021-4508923	Woodlands2@eircom.net
Cyclescene	396 Blarney Street, Cork	021-4301183		cyclescene@gmail.com
Douglas Cycles	4 St. Anthony's Villas, Douglas West, Cork	021-4364340		douglascycles@hotmail.com
The Edge Sports Shop	79 North Main Street, Cork	021-4806040	021-4251300	info@theedge-sports.com
Halfords	Mahon Retail Park, Cork			
Kilgrews Cycles	6 Kyle Street, Cork	021-4276255		sales@kilgrewscycles.ie
Rothar Cycles	55 Barrack Street, Cork	021-4313133	021-4274143	info@rotharcycles.ie
Victoria Cycles	Victoria Cross, Cork	021-4342240		vxcycles@yahoo.ie

COUNTY CORK:

Company Name	Address	Phone Number	Fax Number	Email
021 Cycles	Church Hill, Carrigaline, Co. Cork	021-4373090		
An Rothar	2 Showpark, Midleton, Co. Cork	021-4632554	021-4632554	anrothar@eircom.net
Barbers Prams & Cycles Ltd	226-228 Connolly Road, Ballyphehane, Cork	021-4964176	0214320470	barberspc@eircom.net

Bike N Beara	Castletownbere Commerical Park, Castletownbere, Co. Cork	086-1280307		denvercal@oceanfree.net
Hennessy Cycles	Fermoy, Co. Cork	025-30913		hennessycycles@hotmail.com
J& J Cycles	Bike Shop, Belgooly, Co Cork	021-4770653		angelinaboyd@hotmail.com
MTM Cycles	33 Ashe Street, Clonakilty, Co Cork	023-8833584		mtmcycles@live.ie
Nigel's Bicycle Shop	Glengarriff Road, Bantry, Co Cork	027-52657		
Paul Roche Cycles	New Square, Mitchelstown Co Cork	025-24316		jimmartroche@yahoo.ie
Roycroft Cycles	Heron Court, Town Car Park, Skibbereen, Co Cork	028-21235		roycroftcycles@eircom.net
Speedy Spokes Cycles	Unit 10, Rivergrove, Riverstick, Co Cork	021-4771079		speedyspokecycles@hotmail.com
Sport & Leisure	5 Barry's Lane, Youghal, Co Cork	024-92754	024-90884	
O'Sullivan's Cycles	52 Lower Cork Street, Mitchelstown Co Cork	025-24656		mauraosullivan@live.ie
West End Cycles	West Village, Ballincollig, Co Cork	021-4873804	021-4873804	mrnollaig@eircom.net