

Perth and Kinross Council Salary Sacrifice Cycle to Work Scheme Terms and Conditions

Eligibility

- You must be a member of staff on PAYE payroll. Please note that those engaged on a casual basis will not be eligible to join.
- You must have a contract which covers the length of the hire period.
- The Salary Sacrifice cannot take you below the National Minimum Wage/National Living Wage.
- You cannot have any existing debt arrestments
- The bike can only be leased for your use and at least 50% of its usage should be for commuting to work.
- Employees under 18 years of age can join the scheme but will need an advocate to sign the Hire Agreement.

Adjustment to remuneration package

You agree that your gross salary will be reduced (Salary Sacrifice) as stated in the Hire Agreement with your organisation and that your remuneration will include the provision of the bicycle and/or safety equipment to you. Safety equipment includes bicycle pumps, helmets, locks and chains, reflective clothing, bells, lights, mirrors, mudguards, cycle clips, panniers, child safety seats and replacement parts to keep a cycle roadworthy.

Salary Sacrifice

When entering a Salary Sacrifice arrangement, you should be aware that you waive your rights to automatically return to your original salary at the end of the term. However, your organisation confirms that your salary will return to the amount of pre salary sacrifice at the end of the term.

Employment Benefits

Participating in a salary sacrifice may affect those benefits linked to salary such as Statutory Maternity Pay and Statutory Sickness Pay.

Unpaid leave

Life Events

Events such as Maternity Leave and Sick Leave are defined as “Life Events” by your organisation and are evaluated on a case-by-case basis.

In the event of a “Life Event” where your salary decreases or stops altogether, your organisation will review the agreement with you and decide with you the appropriate course of action. This could be, but is not limited to:

- a new agreement being put in place;
- giving you the option of opting out of the agreement and paying any outstanding balance;
- continuing to provide the benefit.

Statutory Maternity Pay Calculation

Your maternity pay is calculated on your “average weekly earnings” during weeks 17-25 of your pregnancy. For the purpose of calculating your statutory maternity pay your lower salary (after all salary sacrifice reductions) will be used. This will have a direct impact on your level of statutory maternity pay.

Other Unpaid Leave

If a change in your circumstances prevents you from continuing with the Salary Sacrifice, your organisation will discuss with you ways in which the financial commitment can continue to be met

Ordering

Your organisation will have the sole decision to accept and proceed with your order for the provision of a bicycle and/or safety equipment, or not.

Your general obligations

Reduction of amounts due

You agree that all amounts due will be paid by reduction in your salary. You must pay VAT at the rate from time to time in force on each salary reduction.

Permitted uses of the bicycle and/or safety equipment

The bicycle and/or safety equipment is supplied to encourage you to ride to work and aid in reducing congestion and pollution. The bicycle and/or safety equipment must be used mainly (more than 50% of its usage) for your commuting to work, although there is no requirement for you to keep a record of work journeys. However, if you do not use the bicycle and/or safety equipment for its intended purpose you may lose the benefit of the tax exemption. The bicycle and/or safety equipment can also be used for recreational use as you wish.

Total loss

If the bicycle and/or safety equipment is lost, stolen or cannot be economically rectified (a “Total Loss”) your salary reductions will continue for the duration of the Salary Sacrifice arrangement and the End of Agreement Fee will also be deducted. It is your responsibility to make provision for insurance for the bicycle and/or safety equipment.

Termination of employment

If your employment terminates with your organisation for any reason whatsoever, then in such event you shall be obliged to pay the amount set out in the section titled “Your Liability on Termination”. This will be deducted from your final net pay, and if this is insufficient, the PKC Payroll and Reward Team will contact you to arrange settlement. This requires to be made within 7 days.

Your liability on termination

If an employee leaves the organisation for any reason before the end of the hire period, you will be liable for the balance outstanding (original hire agreement value less salary deductions taken) plus an administrative charge equal to the End of Agreement Fee. When an employee terminates employment, they are effectively losing their right to the Tax and National Insurance savings. The outstanding balance will be deducted from the final net salary payment.

Collection/Delivery

If ordered through the mail order facility the bicycle and/or safety equipment can be delivered to you. Deliveries will take place at an unspecified time between 8am - 6pm on a day arranged with you (Monday to Friday only). If ordered through a local bike shop, you will need to collect the bicycle and/or safety equipment direct from the shop personally.

Mail Order Bike Exchange

You can exchange the bicycle ordered through mail order 14 days after receiving it, but only if the bicycle is in brand new condition, has not been used and is repackaged securely in the original packaging. You will be charged an additional £50 fee to cover collection of the first-choice bicycle and delivery of a new bicycle. To avoid this fee, it is important that you order the correct frame size and ask for advice when contacted to arrange delivery, if there are any concerns.

Delivery Time

You will be contacted to arrange delivery (if by mail order) or collection (if from local bike shop) of the bicycle and/or safety equipment after orders have been authorised by your organisation. Supply of your bicycle and/or safety equipment is conditional on availability from the supplier or manufacturer at the time of order. Bespoke bicycles often have extended manufacturing times. **Please note that payroll reductions will commence as scheduled regardless of whether the bike has been supplied to you by that time.**

Place of Delivery

The bicycle and/or safety equipment will be delivered to the address as stated on your hire agreement.

Receipt of the Package

You must ensure that someone is available to receive the bicycle and/or safety equipment on the agreed delivery date. You may be required to arrange separately with the courier for re-delivery.

Confirmation of Receipt

When the bicycle and/or safety equipment is delivered to you or collected by you, you must sign the necessary documentation to confirm receipt. If there are any items missing when the bicycle and/or safety equipment is delivered according to the courier's paperwork or if there is any damage to the packaging, you must clearly write this on the courier's documentation.

Delays

Your organisation will not be liable for any delay in supplying the bicycle and/or safety equipment to you or for failing to provide a bicycle and/or safety equipment at all, if that delay or failure is due to any event or circumstance beyond reasonable control. This includes where Vivup cannot get supplies of the bicycle and/or safety equipment. If it is not possible to obtain the bicycle and/or safety equipment, then your Hire Agreement may be cancelled by your organisation respectively without any liability to you.

Inspection

You must inspect and test the bicycle and/or safety equipment as soon as you receive them and notify Vivup promptly of any defects or other problems with the bicycle and/or safety equipment. If you do not notify Vivup within 7 days of receipt,

the bicycle and/or safety equipment will be assumed to have been delivered free from any defects or problems that you could have discovered by reasonable inspection and operation of the bicycle and/or safety equipment within such 7-day period.

Withdrawing from the Tax-Free Cycle to Work Scheme

You will have a 14-day period after creating your order in which you can withdraw from the scheme, whilst your order is processed.

WARRANTY

Manufacturer's Warranty

The bicycle and/or safety equipment will be supplied with the benefit of a manufacturer's warranty as stated in the item description. You should complete and return immediately any registration card or other form or carry out any other action required to validate such warranty.

For avoidance of doubt "your organisation" refers to Perth and Kinross Council.