

## **Annex A: Cycle to Work Scheme (FAQ's)**

**Q. I've heard about this tax relief for buying a bike to cycle to work, what is it all about?**

A. *This is a Government initiative that enables IADT to buy a bicycle and bicycle accessories for you, without you being liable for benefit in kind taxation. For a tax payer at the top rate, this equates to a minimum saving of 41% on the cost of a new bike.*

**Q. What's the purpose of the scheme?**

A. *The goal of the scheme is to encourage more employees to cycle to and from work. As well as reducing traffic congestion and lowering carbon emissions, more people cycling to work will improve health and fitness levels.*

**Q. Is it just the bike that is covered by the scheme, or does it include things like locks and lights?**

A. *In addition to the bike, the scheme covers a range of equipment such as helmets, lights, locks, bells, mirrors, cycle clips, panniers, luggage carriers & straps, pumps, puncture repair kits, cycle tool kits, reflective clothing and reflectors.*

**Q. Is there a limit to the amount I can spend on the bicycle and equipment?**

A. *Yes, if the total value of the purchases is over €1,000 to €1,250 for pedal bicycles or €1,500 for eBikes, the difference is subject to benefit in kind taxation.*

**Q. If I want to participate, is my employer obliged to get involved?**

A. *The Institute currently participates in the scheme and it is open to all Permanent, CID, and fixed term employees. Participation in the scheme is voluntary and at the discretion of the Institute to withdraw from the scheme at any time.*

**Q. Who pays for the bicycle?**

A. *The bicycle must be bought by the Institute and the process of buying a bike is set out in the policy. The scheme operates by way of a salary sacrifice agreement.*

**Q. How does the salary sacrifice operate?**

A. *Under a salary sacrifice arrangement, you agree to forego or sacrifice part of your salary every pay period (monthly), in order to cover the cost of the bike and equipment provided by the Institute. The amount of salary you sacrifice will be exempt from tax, employee's PRSI and levies. It will also be exempt from your employer's PRSI. The salary sacrifice arrangement must be completed within a maximum period of twelve months.*

**Q. I'm a full time student. Can I avail of the scheme?**

A. *No, the scheme is only open to employees.*

**Q. Do I pick out the bicycle and equipment from the shop myself?**

A. *It is for Institute to decide how they will operate the scheme. The Institute provides a list of preferred retailers for staff to choose from and they can select from this list of Retailers depending on the bike that they are looking for.*

**Q. Can I buy the bicycle and get a refund from my employer?**

A. *No. The Institute must purchase the bicycle/equipment.*

**Q. Why can't I buy more than one bike every four years?**

A. *The tax relief on the cost of a bicycle and equipment is allowed once in each period of four years. This reflects what would be regarded as a reasonable lifespan for a bike.*

**Q. Will there be any minimum number of days the bike must be used?**

A. *There will be no minimum amount of days a bicycle should be used. However, the bicycle must be used mainly for journeys to and from work or between work places*

**Q. If the employer opts for the 'salary sacrifice' model, during the 12 month salary 'sacrifice sacrifice' period who actually owns the bike, the employer or the employee ?**

A. *On the basis of a signed agreement in which they accept the bicycle equipment and a reduced salary in the makeup of their remuneration package, the employee owns the bicycle. Ownership will similarly transfer to the employee if the employer purchases the bicycle for the employee.*

**Q. Are 'electric bikes' covered under the scheme?**

A. *Electric bikes (also known as 'pedelecs') are eligible for the scheme. These include bicycles or tricycles which are equipped with an auxiliary electric motor having a maximum continuous rated power of 0.25 kilowatts, of which output is progressively reduced and finally cut off as the vehicle reaches a speed of 25 kilometres per hour, or sooner if the cyclist stops pedalling.*

**Q. Where can I get a list of cycle lanes to plan my travel journey?**

A. *Copy the following link into your web browser for a map of cycle lanes in Dublin – click on the cycle icon in the area you live or work and it will show cycle lanes and roads which lead to cycle lanes.*

<http://www.dto.ie/DL.pdf>

Please direct any further queries to Rebecca Downes at ext. 4618, or Gina Murray in the HR office in Roisin Hogan House or e-mail: [rebecca.downes@iadt.ie](mailto:rebecca.downes@iadt.ie) / [Georgina.murray@iadt.ie](mailto:Georgina.murray@iadt.ie)