



Save Money, Save the Planet
Independent Expert Suppliers of Electric Bikes and Scooters

2009 Catalogue

CAMBRIDGE - OXFORD - LONDON
01223 247410 - 01865 243937 - 020 7482 2892
www.ElectricBikeSales.co.uk

SAVE UP TO HALF PRICE ON A NEW ELECTRIC BIKE The tax man will pay the rest!
Read further to find out more

Introduction

Salary sacrifice is a simple scheme whereby an employer can provide staff with an electric bike 'tax free' at approximately **half the retail price** and at no cost to the company.

How It Works: the company sets up a 'cycle to work' scheme*, purchases the chosen bike and 'loans it' to the member of staff over a fixed period.

*For the company this simply means the HR department sets up a simple salary control system.

The member of staff then commits to a small monthly reduction in gross salary thereby fully mitigating the cost to the employer.

The Green Transport Plan is approved by the Inland Revenue, Department for Transport, (cycle to work), and Customs and Excise.

The Benefits

Primarily, the employee obtains the bike of their choice **'tax and vat free'**, by saving on the PAYE and NI contributions.

In addition the company saves the national insurance (12.8%) on the reduced salary whilst providing its staff with an excellent benefit that provides an efficient and environmentally friendly form of transport.

The company can treat the cost as capital expenditure and claim capital allowance in the normal manner.

The additional, and hopefully obvious, benefits include a healthier, motivated and timelier workforce who will not require costly parking facilities at work, estimated at around £2000 per space.

The Scheme Mechanics

We can supply a 'ready made' salary sacrifice pack for the employer to minimise the administration & internal promotion time involved in setting up an 'in house' scheme.

5 Simple Steps

The simple process of the scheme is as follows:

Step # 1 staff choose the Electric Bike they wish to purchase from the web site or call for a brochure to be posted or emailed.

Step # 2 employer and employee sign a simple 'hire & salary sacrifice agreement' determining the length (18 months recommended by Office of Fair Trading) & terms of the scheme

Step # 3 employer orders the bike via The Electric Transport Shop (TETS), who in turn will build and carry out the pre delivery inspection, deliver & invoice the bike.

Step # 4 the employer begins to reduce the employee's monthly salary by the appropriate amount

Step # 5 at the end of the term the title to the bike can be transferred for 5% (+ Vat) of it's original R.R.P.

The Product

All TETS products are in theory accessible but it does depend on the maximum voucher amount your company will allow. The usual upper limit is £1,000. We have created a special Cycle2Work section on our website which will allow you to select a bike normally outside of this price range. We can do this by selling you the bike without the battery and charger (and may be a few other components) and allowing you to buy these separately. Therefore you have a bicycle going through the cycle2Work scheme and the electrical upgrades you buy and own separately.

Small print

Fortunately, this government inspired travel to work scheme and tax break does not involve much red tape.

However there may be some 'rules' that may affect some companies or individuals e.g. an individual who's salary would drop below the national minimum wage would not be eligible

The key rule however is that the scheme and loan bike must be used mainly (51%) of the time, for travel to and from work

For example, travel between one workplace and another. Or cycling to & from the train station would qualify.

We have a simple check list together with Department for Transport and HM Customs and excise information sheets that we will provide to you when you decide to enrol onto the scheme, allowing you to ensure that you satisfy the simple terms.

FAQ's

Why is it Vat free?

HM Customs & Excise plus the Dept. for Transport CTW scheme guidelines are quite clear that the Vat for Vat registered companies is a/ recoverable, and b/ not chargeable.

What happens to an early leaver?

This should be covered in the agreement in that if an employee leaves the company before the 18 months has expired they simply settle the balance due

What happens to the bike at the end of the term?

The company can opt at the end of the term (not before) to transfer title to the bike at a fair market value, HM Revenue have advised that 5% + Vat of the original R.R.P. is appropriate

How does the company save money?

As the actual salary has been reduced, then the class one national insurance due at 12.8% is reduced.

Does the scheme affect the T&C of employment?

It should not adversely have any affect and can be covered in the salary sacrifice agreement

Who is responsible for the bike?

It is recommended that the employee be responsible to ensure that the bike is properly insured (inc public liability) and maintained.

Is the bike covered by warranty?

Yes

Is an electric bike covered under the scheme?

Yes

Does the company need a consumer credit licence?

No, the Office of Fair Trading have issued an automatic ‘blanket’ licence that will cover all companies operating a legitimate cycle to work scheme. This is not a hire purchase agreement.

Can I buy additional equipment for my bike ?

Yes you can add safety equipment such as helmets (recommended) lights reflective clothing, locks etc when you order the bike and include the cost in price of the bike.

How much can I spend ?

The oft advises that an upper value of £1000 is recommended in order to keep within the guidelines of the scheme and group consumer credit licence, however if your company has a consumer credit licence it may be able to offer a higher limit.

Why should I buy a TETS Bike?

We are the leading experts for electric cycles and scooters nationwide.
We were the consultants for Royal Mails plan to acquire 14,000 electric bikes.
We supply all of Halfords C2W electric bikes all over the country.
We are a professional business you and your employer can trust.
We always put our customers first.

Are there any hidden charges?

No, we do not charge a fee or commission to either the employer or the employee for participating in the scheme – that would be cheeky!

What happens if too many staff take up the offer?

Great news for the company, and if the companies cash flow looks like it will suffer then leasing can be easily arranged.

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