

## Cycle to Work Scheme

	Cost of Bike and Accessories	Cost to Employee	
		Higher Rate Tax payer paying NIC above upper earnings limit	Basic Rate Tax payer paying NIC between lower and upper earnings limit
Bike	£800		
Safety Accessories	£100		
Value of Goods	£900		
Cost to Be Charged to employee through Salary Sacrifice	£900	£900	£900
Employees PAYE Saving through Salary Sacrifice		(£360.00) = 40%	(£180.00) = 20%
Employees National Insurance saving through Salary Sacrifice		(£18.00) = 2%	(£108.00) = 12%
Cost to Employee		<b><u>£522.00</u></b>	<b><u>£612.00</u></b>
Saving based on cost of £900**		42%	32%

\*\* Savings are illustrative and are based on the employees PAYE and National Insurance rates in the examples. The savings are reduced if the employer sells the bike to the employee at the end of the hire period.