

## **Government Cycle to Work Tax Incentive Scheme**

A government scheme to encourage people to cycle to work is available to employees. Cycling keeps you fit, it's fast, cheap and reliable – and it's good for the environment.

The bike scheme covers bicycles and accessories up to a maximum cost of €1,000. The bicycle must be purchased by your employer but the scheme can then operate either with your employer bearing the full cost of the bicycle, or by way of a salary sacrifice agreement (like the existing travel card scheme) in which you pay for it, tax free, over 12 months

Participating in the bicycle scheme is easy. If your employer decides to take part, they simply buy the bike and equipment on your behalf and off you go. It is up to you and your employer to decide whether they buy the bike outright for you or whether you pay for it via 'salary sacrifice'. Either way you save on tax.

The scheme is flexible in its application in that your employer doesn't have to specifically notify the Revenue Commissioners that you're availing of the scheme and there are no Government forms to fill out. However, your employer does have to maintain the normal records such as invoices and payment details associated with buying the bike.

Tax relief is available on a wide range of cycling gear and equipment – pretty much everything you would need. This list includes helmets, lights, locks, bells, mirrors, cycle clips, panniers, luggage carriers & straps, pumps, puncture repair kits, cycle tool kits, reflective clothing and reflectors.

Once an employer agrees to participate, there is no limit to the number of employees who can avail of the scheme. However, the scheme can only be used by an employee once every five years.