

Delta Capita

Green Employee Benefit

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Benefits of cycling

The Government’s ambition for cycling and walking to be the natural choices for shorter journeys has gained further momentum since the Covid-19 pandemic. The benefits of cycling are well documented, in terms of health, cost, productivity and the environment.

Cycle to Work schemes continue to attract commuters keen to realise the benefits that cycling affords; having contributed to aiding more than 1.6 million commuters to cycle to work.

How does a scheme work?

Cycle to Work is an employee benefit whereby the employer buys a cycle (and accessories) on behalf of the employee. The cost is recovered from a reduction in the employee’s gross pay (via salary sacrifice); the cycle being on hire to the employee during this term. At the end of this period the employee is given options that enable them to keep the cycle whilst maintaining their savings.

Such an arrangement provides financial benefits to both employers and employees through a tax exemption. Since a portion of the salary is foregone, the employee pays less tax and National Insurance (NI), and the employer can save on employer NI at 13.8% and Apprenticeship Levy at 0.5% on the amount sacrificed.



Through this, employees can make significant savings of the cost of a new cycle and accessories, whilst also spreading the cost. For the employer, there are no set up costs and no limit on the value of the cycle and safety equipment that can be provided to an employee,

opening the possibility of higher value equipment, such as electric cycles, and higher savings.

Why introduce a scheme at Delta Capita?

Delta Capita is proposing to implement such a scheme to:

- promote alternatives to public transport, supporting employees in returning safely to the workplace
- strengthen the benefits offering to UK colleagues
- enable employer and employee to benefit from tax and NI efficiencies that the scheme affords