



Enterprise Rent-A-Car Benefits

Enterprise Rent-A-Car Bike4work - Be green, get fit and save money

Enterprise Rent-A-Car Bike4work is a government-backed initiative designed to encourage people to use environmentally friendly forms of transport when travelling to and from work.

This is your opportunity to use a bike to travel to and from work as well as during your leisure time. Enterprise Rent-A-Car Bike4work is a new initiative, which gives you the opportunity to exchange part of your salary in return for the lease of a bicycle, which should be used primarily for part or your entire journey to work or between work locations. The scheme is great for you because you don't pay Income Tax or National Insurance on the price of your new bike so you could save anything between 43% or 52% on the normal price of a new bike.

To take part in Bike4work you will need to agree to reduce ("sacrifice") an agreed amount of your salary, to which Income Tax and National Insurance savings will apply, in return for a bike for travel to work. You will need to be, a permanent employee, or on a fixed term contract the length of which is not less than 12 months, and a UK taxpayer.

The amount that you save will depend on your marginal tax rate, and you can see some examples of the savings below. Enterprise Rent-A-Car has partnered with Cyclescheme (a network of over 1600 independent bike shops nationally, to find your nearest participating bike shop please log on to

www.eracbenefits.co.uk). We'd like to offer you the opportunity to participate in Enterprise Rent-A-Car Bike4work. If you decide not to participate this time around you will have another opportunity to do so again.

You can choose a bike, which costs up to a maximum of £1,000. The minimum value must be £100. For more information and answers to your questions, please read this fact sheet and set of frequently asked questions. You can also call the Bike4work helpline on: 0871 641 2217 (lines open Monday-Friday 9am - 6pm, Saturday 9am - 5pm).

Worked Example: If you choose a certificate for £500 to exchange for a bicycle and safety equipment in a Cyclescheme participating retailer - you pay £34.72 per month for 12 months, i.e. £416.64. This is taken out of your gross salary, i.e. pre tax pay. Therefore, if you are a "basic rate taxpayer", you in effect pay the equivalent of £23.61 per month for 12 months, i.e. £283.32. The agreement lasts for 36 months (see frequently asked questions point 4).

Please Note: Income Tax and National Insurance rates may vary based on your individual circumstances and with regard to any future general changes to overall tax and national insurance rates

Equipment Value (inc VAT)	£100	£200	£300	£400	£500	£600	£700	£800	£900	£1,000
Gross Monthly Salary Reduction	£6.94	£13.89	£20.83	£27.78	£34.72	£41.67	£48.61	£55.56	£62.50	£69.44
Basic Rate Taxpayer										
Net Impact over hire period	£56.63	£113.34	£169.97	£226.68	£283.32	£340.03	£396.66	£453.37	£510.00	£566.63
Net Deduction from Monthly Pay	£4.72	£9.45	£14.16	£18.89	£23.61	£28.34	£33.05	£37.78	£42.50	£47.22
% Saving	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%
Higher Rate Taxpayer										
Net Impact over hire period	£48.30	£96.67	£144.98	£193.35	£241.65	£290.02	£338.33	£386.70	£435.00	£483.30
Net Deduction from Monthly Pay	£4.03	£8.06	£12.08	£16.11	£20.14	£24.17	£28.19	£32.22	£36.25	£40.28
% Saving	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%

How do I sign up to Bike4work?

- 1. Consider your choice of bike.** Go to one of 1600 participating Cyclescheme independent bike retailers. You can find a link to the Cyclescheme store finder at www.eracbenefits.co.uk.
- 2. Request a Username and Password.** To request a username and password, go to www.eracbenefits.co.uk and press the "register" button (you will need your five digit alpha/ numerical RALPH id number, for example 1760Z) - you will then be emailed your username and password required to make your selection. If you have any problems please call Bike4work helpline on 0871 641 2217. Registration is open between 25th May and 15th June.
- 3. Complete your Salary Sacrifice and Hire Agreement online** With your username and pin, go to www.eracbenefits.co.uk. You must complete your bicycle hire agreement online (If you have any queries please call the Bike4work helpline on 0871 641 2217). The registration closing date is 15th June 2011.
- 4. Receive your certificate.** You will receive your certificate by week commencing 27th June. Visit your chosen "Cyclescheme" independent bike retailer with your certificate and take the bike home (or arrange delivery at your own cost) You will need to produce ID at the time of collection. Salary reductions will begin in July pay.

Registration is open between 25th May to 15th June 2011.

Frequently Asked Questions

1. Do I need to use the bicycle for work?

Yes, by taking part in Enterprise Rent-A-Car Bike4work you are confirming that at least 50% of the bike's use will be for eligible work journeys. Eligible use includes cycling from home to the station, from the station to work, from home to work or vice versa, cycling between work locations and cycling during your lunch break. You are not expected to keep detailed records of time spent cycling or miles travelled.

2. Does this mean I have to cycle to work all the time?

No. The test is based on 50% of the bike's overall usage (i.e., even if you cannot use the bike routinely).

3. Who owns the bicycle?

You will not own the bicycle described in the hire agreement. The bicycle described in the hire agreement will be owned by Enterprise Rent-A-Car.

4. When will the salary reductions begin and how long do they continue for?

The first salary reduction date will be from July pay. Salary reductions will begin on this date whether you have exchanged your certificate or not. Salary reductions will usually continue for 12 payments unless you leave the company or go on unpaid leave. (See below for what happens in these circumstances.)

5. When will the Hire period end?

Although you will pay over a period of 12 months, the bike will be hired to you for a period of 36 months. It will remain wholly owned by Enterprise Rent-A-Car and you will not be able to participate in another scheme until after the hire period ends.

6. Why do you need my address when I register?

Enterprise Rent-A-Car Bike4work needs your address so the documentation can be completed appropriately online and to ensure your certificate can be dispatched to you directly.

7. What happens if I do not spend my full certificate value?

The salary reductions are determined by the amount specified on the certificate. If you do not fully utilise the amount, your salary will still be reduced by the amount set out in the salary sacrifice letter. You cannot add cash to your certificate.

8. What happens if the certificate expires before I have selected my bicycle?

Your certificate will have an expiry date printed on it, usually 12 months from the date of issue. The expiry date is set and cannot be extended and your salary reductions will have to be taken whether you exchange the certificate or not.

9. What happens if I suffer an accident or injury when using my bike?

We strongly advise all employees to take steps to obtain appropriate safety equipment when using their bike. In the unlikely event that you suffer accident or injury while using your bicycle, Enterprise Rent-A-Car cannot be held responsible for such an incident. It is the responsibility of the employee to ensure the bike is carefully maintained and in the event of any road traffic accident, employees are wholly responsible under the normal UK legal framework.

10. Can I obtain additional accessories with my certificate?

You must obtain a bike with your certificate but you can also obtain accessories typically:

- Lock
- Pump
- Gloves
- Jacket
- Pannier rack and bags
- Lights
- Helmet

12. Will I need to insure the bicycle separately?

You will need to make sure that adequate cover is provided usually on your home and contents insurance. You may decide to insure the bike separately.

13. What happens if the bike is stolen?

You are responsible for the bicycle and you will therefore need to insure it as you probably do with other contents in your home.

14. What happens if I no longer require the bicycle? Can it be returned to the independent bike retailer before the end of the term?

No, the term is fixed. Once you have signed the salary sacrifice agreement, you must continue for 12 pay periods and you will be unable to return the bicycle.

15. What happens if I want to cancel out of the scheme?

You can only change your choice during the registration period (either amending the value chosen or deciding not to participate). You will not be allowed to change your choice once the registration period has been closed on 15th June 2011. Providing you have returned the paperwork within the timeframes indicated, the agreed salary reduction will apply for 12 pay periods even if you decide not to collect or use the bike.

16. What happens if I take maternity or sick leave?

If you take maternity leave or sick leave during the agreement period, you will continue to have use of the bicycle. Salary reductions will continue for the period of paid leave and may be suspended if your pay is reduced to lower than the period sacrifice amount. On your return to work the salary reduction will recommence for the remainder of the 12 pay periods thus extending the original term.

17. What happens if I leave during the term?

If you leave our employment for any reason during the term, you will become liable to pay an amount equivalent to the remaining balance of your contract from your net salary in accordance with the Salary Sacrifice letter. If your final net salary is insufficient to pay the balance of the agreement, you will be required to pay the outstanding monies to Enterprise Rent-A-Car within 7 days. At the end of the 3-year contract term, you will receive a letter outlining the options available to you, which may include transferring ownership.

18. What happens if I am on unpaid leave for the enrolment window?

You need to be receiving some form of pay when we send out the invitation to join the scheme. If you are not receiving pay, then you will be able to take part in the next scheme, as long as your pay has restarted.

19. What is included in the salary reduction?

All the costs incurred by Enterprise Rent-A-Car in operating the Bike4work scheme. These include the bike (including manufacturer's warranty).

20. Can I apply for more than one bike?

Yes – providing that you use both for commuting to work. For example, if you travel to work partially by train, then you could have one bike to commute between your home and the station and another to travel from the train's destination to your work location.

21. Can I use the certificate to get a bike for my family member/child/partner, etc?

No. You must use the bike for commuting purposes.

22. What happens to the bicycle at the end of the contract term?

At the end of the 3-year contract lease period, Enterprise Rent-A-Car is likely to offer to sell the bicycle to you for its fair market value at that time.

23. Why do I pay for the bike over 12 pay periods but the lease term is 3 years?

The payment period is set at 12 pay periods, as the amounts involved are usually relatively small but its fair market value is likely to be still relatively high. At the end of a 3-year lease term, it is likely that the fair market value of the bike will be relatively low. We are following standard practice for schemes of this type.

24. Can I elect to make a higher salary reduction and shorten the term?

No. This scheme is run on the basis of a 12 month salary reduction, 3 year lease term only.

25. Can I register for Enterprise Rent-A-Car Bike4work at any time?

No, there will be specific enrolment windows during which you can register for Enterprise Rent-A-Car Bike4work.

26. Can I take part in more than one bike scheme concurrently?

No – if you are already registered for a scheme, it is not possible for you to register for another until your 3-year lease has expired.

27. Do I need to maintain the bike myself?

You are responsible for maintaining the bike for your own use. Your chosen Cyclescheme retailer will be able to advise you about necessary servicing depending on how you use your bike.

28. How will salary sacrifice affect pensions?

The reduction that you agree to in your gross pay will not affect any salary-related payments such as shift allowance and overtime. Nationally agreed pay awards and incremental progression will continue to apply. Your pay for pension contributions and benefit purposes will be unaffected, as the non-cash benefit of the Enterprise Rent-A-Car Bike4work scheme can be treated as pensionable. Participating in the scheme may have an impact on work related benefit payments such as statutory maternity or paternity pay, statutory sick pay, working tax credits and the state pension, as they will be calculated on your reduced salary. You should consider these effects carefully before you decide to enter into this scheme. You should also ensure that by participating in the scheme your earnings do not fall below the lower earnings limit for National Insurance contributions.

29. Participation in other Salary Sacrifice schemes?

If you participate in any other salary sacrifice arrangements such as for example care-4 childcare vouchers, you should consider the combined effect this will have on your earnings and entitlement to earnings related benefits.

30. Where is my nearest Cyclescheme retailer?

To find your nearest participating Cyclescheme retailer please log on to www.eracbenefits.co.uk and follow the link.

If you have any further questions please call the Bike4work helpline on 0871 641 2217 (lines open Monday-Friday 9am-6pm, Saturday 9am-5pm).