Scheme End Point

End of 12 Month Payment/Hire Period

Has the Employer agreed to transfer ownership of the equipment to Cyclescheme?

NO

Cyclescheme act as Trusted Advisors

Options for Employer are:

1: Employer can use Cyclescheme's free of charge MV collection process

2: Extend the 'Hire' period and charge the HMRC valuation table % at the end of the 'Hire' period extension

3: Charge a nominal Market Value (MV) and declare the taxable difference on the Employee's P11D

4: Refer to the EIM Valuation Table and charge the applicable percentage after the initial 12 month hire period

YES

Cyclescheme offer transfer of ownership to employee after 12 months, at 18%/25% of original certificate value inc VAT @ 17.5% or 20%

Employee pays MV?

NO

Employee extends use period? (by 31 months)

31 month extended use period

NO

Employee returns bicycle to Cyclescheme

YES

Ownership transfers to participant upon receipt of MV payment

Cyclescheme offer the Employee a extended use period of 31 months through an 'Extended Use Agreement' with Continuation Deposit

Employee extends use period? (by 31 months)

31 month extended use period

NO

Continuation Deposit will be collected upon signature of the Extended Use Agreement, at an amount equivalent to 3% or 7% inc. VAT @ 17.5% or 20%, of the original certificate value, depending on the certificate value being below £500 or £500+

At the end of the extende use period Cyclescheme will contact the Employee and may offer transfer of ownership or the option to return the bike

Cyclescheme returns Continuation Deposit to the Employee upon confirmation of receipt of the bicycle

Employee pays MV?

NO

NO

NO

YES

YES

Cyclescheme returns Continuation Deposit to the Employee upon confirmation of receipt of the bicycle

Cyclescheme retains Continuation Deposit as consideration for the transfer of ownership