

## YOU CHOOSE:

The employee chooses the bicycle and equipment he or she wants and the employer purchases the bike on his or her behalf. Tax relief is available on purchases up to a maximum value of €1,000.

## WHAT IS COVERED UNDER THE SCHEME:

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.

## BENEFITS FOR EMPLOYEE AND EMPLOYER:

Because the bicycle and/or equipment are exempt from tax, the employee will not be liable to income tax at his or her marginal rate, employee's PRSI, or levies on the cost of the benefit, as reflected in the amount of salary sacrificed.

The employer will also benefit in that employer's PRSI is not payable on the cost of the bicycle and/or safety equipment.

Employers will not be able to reclaim the VAT paid on the bicycle and/or safety equipment.

### DB Cycles

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# D.B. CYCLES

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## BIKE TO WORK SCHEME

On 1 January 2009 a new government scheme to encourage people to cycle to work came into force. Cycling keeps you fit, it's fast, cheap and reliable – and it's good for the environment.

The new bike scheme covers bicycles and accessories up to a maximum cost of €1,000.

### AGENTS FOR:

Giant, Trek, Kellys, Merida, Claud Butler, Falcon, Berg Go-Carts, Met Helmets.



## EXAMPLE SAVINGS

Actual savings will depend on each individual's personal circumstances. Here is a typical example of savings possible as both a Basic rate taxpayer (20%) and a Higher rate taxpayer (41%):

	€250	€500	€750	€1,000
Bicycle & Accessory purchase	€250	€500	€750	€1,000
<b><u>Basic Rate taxpayer - 20% Tax, 6% PRSI</u></b>				
Income Tax (Based on 20% rate)	€50	€100	€150	€200
Employee's PRSI (Based on 6%)	€15	€30	€45	€60
<b>Total Saving</b>	<b>€65</b>	<b>€130</b>	<b>€195</b>	<b>€260</b>
Total Cost of Purchase	€185	€370	€555	€740
Monthly cost via Salary Sacrifice	€15	€31	€46	€62
<b>Percentage Saving</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>
<b><u>Higher Rate taxpayer - 41% Tax, 6% PRSI</u></b>				
Income Tax (Based on 41% rate)	€103	€205	€308	€410
Employee's PRSI (Based on 6%)	€15	€30	€45	€60
<b>Total Savings</b>	<b>€118</b>	<b>€235</b>	<b>€353</b>	<b>€470</b>
Total Cost of Purchase	€133	€265	€398	€530
Monthly cost via Salary Sacrifice	€11	€22	€33	€44
<b>Percentage Saving</b>	<b>47%</b>	<b>47%</b>	<b>47%</b>	<b>47%</b>