

## Lydia Hopton

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**From:** theteam@greencommuteinitiative.uk  
**Sent:** 14 June 2023 12:31  
**To:** Lydia Hopton  
**Subject:** FAO: Lydia - Cycle to Work Scheme

Good afternoon Lydia,

Following our conversation, please find the information required.

The Salary Sacrifice agreement is between you and your employee and the employee is legally obliged to pay back the money in full.

This can be done in a number of ways:

The most tax efficient way is for the company to deduct the remaining monies owed from the employee's gross salary before they leave. However, this must not take them below minimum wage.

They can pay you off in a lump sum not from their salary, but they would not get the tax benefit. You can also have an agreement where they pay you back via direct debit over a number of months after they have left – this is not usual practice though.

Alternatively, if they are moving to a new company and that company agreed, the new company could pay the remaining amount to you and take on the debt, reducing it via a similar salary sacrifice scheme.

Outstanding holiday can be used to pay back the employer, however paid holiday hours must also meet the NMW requirement.

When an employee goes on maternity leave, it does not change anything from our side, so our FOC hire and loan agreements remain in place.

Since the salary sacrifice agreement is between yourself and your employee, you would need to agree a repayment system between yourselves therefore. It might be that you delay her payments for 6 months, or reduce them, or stop them and increase monthly deductions on their return to work.

It's entirely up to you whether or not you re arrange the employees' payments and how therefore. As long as any re arrangements are made with both parties being in agreement.

Kind regards,

*Eileen*



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