



Employer Supported Better Journeys

The Better Journeys Project are supporting an initiative to get more Guernsey employers supporting cycling, walking and bus travel to, from, during and outside of work.

There are lots of options available and this leaflet provides ideas of how employers can support employees.





The Vision for Guernsey

The vision statement at the heart of the States of Guernsey Integrated Transport is: "To facilitate safe, convenient, accessible and affordable travel options for all the community, which are time and energy efficient, enhance health and the environment and minimise pollution." In particular a specific strategy objective stated is: "To increase the number of journeys made by alternative forms of transport, particularly active travel modes - ideally doubling the number of people travelling by foot, bike and bus."

Employer Supported Cycling & Walking not only brings advantages to employers and employees it also contributes to the States objectives and policy plans by supporting the Integrated Transport Strategy, the Energy Policy, the Climate Change Policy, the Strategic Land Use Policy and the Healthy Weight Strategy. Increased uptake of both public and active modes of transport has economic, social and environmental benefits including greater economic productivity, lower energy demand, reduced congestion, improved public health and less air, noise and water pollution.

How to get involved

Why should employers get involved?

This is a great opportunity for employers to support their employees in choosing and accessing cycling, as many already do.

- Support physical and mental health and wellbeing
- Positive tool for staff motivation
- Helps with recruitment and retention
- Save on parking costs

Supporting active travel is not only good for staff and for the planet but is also good for business. It contributes towards company Environmental, Social and good Governance (ESG) objectives and can make a significant difference in a company's Scope 3 Emissions for carbon measurement. With on-island transport being the island's biggest emitter of carbon, it is also the biggest area of opportunity that we can tackle to meet the island's net zero Paris Agreement target by 2050.

Benefits to employees

Employees often would like to become more active on their commute to and from work but barriers of cost, time constraints or habit get in the way.

If employers get on board with offering one or more of the options set out below this can make the difference.

The benefits of moving more are widely known and appreciated and because, on average, we spend 30% of our waking hours at work this is a good place to focus on. Also, it is not just about work; many of the options allow easier access to cycling outside of work.

- Improved physical and mental health and wellbeing
- Reduced fuel and vehicle maintenance costs
- Quicker journeys by bypassing roadworks and queues where cycle lanes are available
- Removes the stress of finding a parking space or reparking
- Helping the environment
- Forging change for the next generation

What are the options?

There are several options available which include the new Guernsey Cycle Scheme which follows an agreed change in the law on taxable benefits in kind. Many of the options listed are aimed towards cycling but pedestrians and bus users can also be supported.

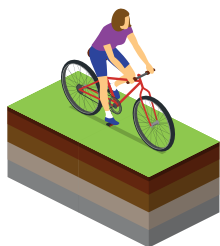
1. Bike Pooling Scheme

If the employer purchases bikes for the use of employees and retains ownership, then the employees can use the bikes freely for home or for work purposes and there is no benefit in kind so no tax or social security implications.

2. Purchase outright

The employer can choose to purchase a bicycle for an employee outright as a gift which would become a traditional benefit in kind. The value of the bicycle (less any sums paid by the employee) would form part of the taxable remuneration for that employee and tax and social security deducted and paid over to the Revenue Service.

There is currently a tax-free allowance for benefits in kind each year (2025: £900) and so it may be that some of the benefit is covered by this allowance.



3. Employer Supported Loan

In this scenario the employer provides a loan which can be up to an agreed value so that the employee can support the purchase of a bike via the loan and then the repayments are deducted from the employee's net pay. This is the sort of scheme you can often find advertised in local bike shops.

If the loan is interest free, then the interest free element would be treated as a benefit in kind (meaning tax and social security would apply) however there is currently a tax-free allowance for benefits in kind each year (2025: £900) and so it may be that any interest is covered by this allowance.

If the employee has control of more than 5% of the issued share capital of the employing company, the loan would be treated as a "qualifying loan" and the loan would be deemed to be income in their hands and tax would need to be deducted accordingly.

The Guernsey Cycle Scheme (see on next page) is an enhanced version of this option which removes any risk of tax or social security on benefits in kind.

4. Guernsey Cycle Scheme

If certain parameters are met, there are no tax or social security implications for either the employer or employee.

The parameters are:

- The employer purchases the bicycle which the employee uses and after two years the ownership is transferred to the employee
- The employer claims annual allowances in their accounts regarding the cost of the bike (20% reducing balance basis)
- Employer and employee agree that the employee only needs to pay back the discounted value of the bike (after annual allowances)(64%)
- The repayment period is two years
- The employer confirms participation in the scheme to the Revenue Service

The scheme means that employers are financially supporting employees both in the initial capital needed to provide the employee with a bike from day one, but also in a discount provided to the employee on transfer of ownership.

Payroll admin is reduced as there is no benefit in kind to consider.

The Revenue Service Statement of Practice E50 sets out the rules in more detail however it is also possible to include certain equipment that is attached to the bicycle such as luggage carriers.

Costs such as maintenance and insurance can be paid for either by the employer (and deducted from profit) OR it can be agreed that the responsibility for these costs is with the employee.

Cost of bike	£2,000	£3,000	£4,000
Yr 1 annual allowance* (20%)	£400	£600	£800
Value after 1 yr	£1,600	£2,400	£3,200
Yr 2 annual allowance* (20%)	£320	£480	£640
Transfer Value*	£1,280	£1,920	£2,560

Monthly payment paid by you	£53.33	£80.00	£106.67
-----------------------------	--------	--------	---------

Discount on purchase price	36%	36%	36%
----------------------------	-----	-----	-----



5. Grant for bicycle purchase

An employer could choose to subsidise an employee bike purchase by offering a lump sum towards the bicycle. This sum would be treated as part of gross salary with tax and social security deducted and paid over to the Revenue Service.

A cash sum can't be offset by the tax-free allowance for benefits in kind (2025: £900) as cash is excluded and treated as salary.

6. Health or wellbeing allowance or cash in lieu of parking

These are treated in a similar way to the grant for bicycle purchase whereby cash is offered to either assist with active travel choices or paid in recognition of giving up a parking space.

This sum would be treated as part of gross salary with tax and social security deducted and paid over to the Revenue Service.

A cash sum can't be offset by the tax-free allowance for benefits in kind (2025: £900) as cash is excluded and treated as salary.



7. Bus Passes

Employers can purchase or fund bus passes for employees to use for commuting to and from work without any tax or social security implications. In addition, the States of Deliberation have agreed that bus passes can also be used for personal use outside of work hours, without creating a taxable benefit.

8. Paying for bike mileage

The States of Guernsey now also support payments by employers to employees for bike mileage (to bring into line with car mileage already allowed) at rates set out in the Revenue Service Statement of Practice E17, without creating a taxable benefit.

9. Flexible start & leave times

Sometimes the simple act of making start & leave times more flexible can open up bus or active travel options to employees who may otherwise not be able to arrive or leave at an appropriate time.

What if I am self-employed (no staff)?

If you are self-employed and don't have any staff but want to use a bike for yourself then you can purchase a bike through your business and claim for annual allowances plus any other running costs such as maintenance, insurance or interest if you borrow to purchase. You just need to make any adjustment for personal use.

Summary of options available

Options	Bike Pooling Scheme	Purchase Outright	Employer supported loan	Guernsey Cycle Scheme	Grant for bicycle purchase	Health or Non-Parking Allowance	Bus Passes	Mileage	Flexibility
Taxable	No	Yes over £900	Yes over £900	No	Yes	Yes	No	No	No
Social Security	No	Yes over £900	Yes over £900	No	Yes	Yes	No	No	No
Employer payroll admin (initial benefit)	No	Yes	Yes	Yes	Yes	Yes	No	No	No
Employer payroll admin (ongoing)	No	No	Yes	Yes	No	Yes (typically annual)	No	No	No
Financial cost to employer	Yes (100% value of bike)	Yes (100% value of bike)	Yes (Interest foregone)	Yes (36% of purchase price not recouped)	Yes (value of grant)	Yes (value of allowance)	Yes (value of passes)	Yes (value of payments)	No
Ownership of bike	Employer	Employee	Employee	Employer (2 yrs) then Employee	Employee	N/A	N/A	N/A	N/A
Who pays for maintenance	Employer	Employee	Employee	Agreed between parties	Employee	N/A	N/A	N/A	N/A
Who insures bike	Employer	Employee	Employee	Agreed between parties	Employee	N/A	N/A	N/A	N/A



**For further information
please contact**

www.betterjourneys.life

The Better Journeys Project has been set up as a community initiative in the Channel Islands to help people make a sustainable change for the better.

We run Better Journey Days on the first Friday of every month, and have a flagship, week-long event in May called Better Journeys Week.

We have a number of resources that organisations can access to encourage better travel around our island communities.

In partnership with



**The Health
Improvement
Commission**

"Cycling short journeys, for work or other everyday journeys, is one of the best ways to get regularly moving more; active travel improves physical and mental well-being and has benefits for our local environment and economy."

Amy Woollaston, Active Travel Officer



Initiative supported by

APPLEBY

**TOM DOREY'S
ECO LEGACY**



Designed by

**ROCK &
SMALL**
Design. Marketing. Digital