

lease  
a bike



**Lease a Bike**

**Lely**

The company bike is back and more attractive than ever before. The process for leasing a bike is very clear and uncomplicated. On top of that, there are numerous cost, health and environmental benefits. The company you work for becomes more sustainable and you get fitter. It's a win-win. There's also a tax advantage to you of at least 25% compared to buying a bike yourself.

Lely has embraced the new bike plan and is excited to present a bike leasing scheme in partnership with Lease a Bike. Lease a Bike makes choosing and leasing your new bike easy. Our fully digital and automated platform currently features more than 1,100 affiliated bicycle shops. Under the scheme, you can choose any type of bike, from a city bike to an e-bike, cargo bike, racing bike or speed pedelec.

And to make sure everything is clear and fair, there are also some ground rules. That means you know where you stand regarding your rights and obligations. We are happy to explain the rules to you below.

We hope you enjoy riding your new bike!

### Lely & Lease a Bike



## 1. Who can apply?

- All employees are eligible for a lease bike, regardless of whether you drive a company car, get a mobility budget, get help with the costs of travelling by public transport or get a commuting allowance. You can also use a lease bike even if you have a private lease car or if you don't get a commuting allowance.

The term 'employee' is understood to mean: a member of staff who has entered into a temporary or permanent employment contract with Lely and who has finished their probationary period. Unfortunately, trainees, agency workers or external employees are not eligible for the bike leasing scheme.

## 2. De keuze

- There is also a huge choice from many of the brands available in your local bicycle shop:

|         |             |                |            |           |
|---------|-------------|----------------|------------|-----------|
| Gazelle | Trek        | Kalkhoff       | Scott      | Cervélo   |
| Batavus | Koga        | Riese & Müller | Cannondale | Merida    |
| Cortina | QWIQ        | Specialized    | Stromer    | Union     |
| Giant   | Urban Arrow | Dutch ID       | COWBOY     | Bianchi   |
| Cube    | Sparta      | Pegasus        | Santa Cruz | Veloretti |

- You can choose any type of bike like a city bike, e-bike, speed pedelec, racing bike, mountain bike or (electric) cargo bike.
- The minimum price of a lease bike is €499 and the maximum price is €7.500
- The duration of the lease is always 36 months.
- Any accessories that can be attached to the bicycle – such as panniers, helmets and bike locks – can also be included in the lease. However, rainproof clothing and cycling clothes cannot be included in the lease. The total price of the accessories may not exceed 15% of the recommended retail price of the lease bike.
  - **Please note:** You may only include accessories at the start of the lease. Once the lease comes into effect, it's no longer possible to add accessories.
- You can visit your local bike shop to select a bicycle of your choice. For the most up-to-date overview, please visit:

[Find local bike shop](#)

### 3.1 What are the costs?

- The costs of a lease bike consist of two elements. There's the gross monthly payment on the one hand and the benefit-in-kind tax on the other.
- Lely makes a gross monthly contribution of 10 euro. This contribution is made for the entire 36 months of the lease.

- If the gross monthly payment for the bike you select is more than 10 euro, then the amount above 10 euro is deducted from your gross salary. Useful fact: this lowers your gross salary and the amount on which you pay tax. A salary sacrifice is therefore tax-efficient for you.
- In all cases, the benefit-in-kind tax on a lease bike is 7% of the bike's RRP.
- Because it is not possible to use a lease bike solely for work-related purposes, this means benefit-in-kind tax must always be paid. Luckily, this is usually just a few euros a month.
- Any lowering of your gross salary will not affect your holiday allowance, 13<sup>th</sup> month, bonus schemes and/or pension scheme. A lowering of your gross salary may negatively affect any benefits you may receive if you have a long-term disability or any unemployment benefits you may be entitled to.
- Lely will check to make sure you do not drop below the minimum wage threshold as a result of any payments towards a lease bike. If this is the case, Lely will be unable to lower your gross salary and you will, unfortunately, not be eligible for a lease bike.
- Lely will check in advance whether your ages have been garnished. If this is the case, you are unfortunately not eligible for a lease bike.
- A lease bike will not affect your credit score. The lease bike belongs to the lease company for the duration of the lease and the lease is in your employer's name.

### 3.2 Commuting allowance

- If you get a commuting allowance, you will not be eligible for a commuting allowance on those days when you cycle to work on your lease bike.
- It's also possible to use your lease bike for personal use only. In that case, you will still get the full commuting allowance. Please note, this means you will not be able to use your bike to commute to work and you will have to provide evidence to prove this.

[Calculate your lease costs](#)

## 4. Using the bike

- As an employee, you are entitled to one lease bike per lease period (36 months).
- Members of your family, your colleagues or your partner may also ride your bike.
- You can also use your lease bike for your own personal use. You must treat the lease bike with care and respect.
- As the user of a lease bike, we expect you to do your best to avoid damage to the bike and to prevent it from being stolen. Please keep your two original bike lock keys in a safe place and never leave your bike unattended. This is also important if you have to make an insurance claim.
- Any fines and/or penalties incurred as a result of using the lease bike during the lease period are at your own expense.
- You must select a repair, service and tyre package when signing the lease. The different insurance packages are as follows:
  - Basic: coverage up to €100 per year – all bikes except e-bikes
  - Standard: coverage of up to €150 per year – all bikes
  - Premium: full coverage, with zero financial risk – only available for e-bikes
  - Speed Pedelec: coverage up to €300 per year – only available for speed pedelecs
- The Basic, Standard and Speed Pedelec packages have an annual amount of cover. At the end of the year, these annual amounts of cover expire.

- You can visit any bike shop affiliated with Lease a Bike for routine maintenance, repairs and the replacement of your tyres. It is not necessary to visit the bike shop where you selected the bike.
- You must pay for any costs not covered under the Basic, Standard or Speed Pedelec packages directly to the bike shop.
- Insurance: insurance is automatically taken out for every lease bike. You will also automatically be registered for fully comprehensive insurance if you opt for a speed pedelec.
- Theft: you must report the theft of the bicycle, parts or accessories, to the police. You will be offered a comparable new bicycle for same price if your bike is stolen.
- Excess:

| Excess for each type of bicycle                           | If the bike is a write-off | If the bike is stolen     | If the bike is damaged or parts and/or accessories are stolen* |
|---|----------------------------|---------------------------|--|
| Bike / e-bike / speed pedelec, cargo bike and other bikes | €0                         | €0                        | €25  |
| Racing bike and mountain bike                             | 20% of the insured amount  | 10% of the insured amount | €50  |

\* This means that the first €25 / €50 of a claim will not be covered by the insurance company. These costs are at your own expense and you pay them directly to the dealer.

- Lease a Bike offers a 24-hour repatriation service. This means that you can get breakdown assistance at any time, any day. You will be transported to your departure point, your destination or a local repair shop if your bike needs to be repaired. The conditions set out in the lease apply if you wish to use the 24-hour repatriation service. The telephone number for this service is 0592-390471
- If you are unable to use your e-bike or speed pedelec because of a claim which is covered under your insurance (e.g. if it is being repaired, or if a new bike has been ordered because your old one was stolen), then you will be offered a loan e-bike to use for a maximum of 7 days.

## 5. Ownership fee

- After 36 months, you have the option of buying your bike for approximately 20% of the retail price. If you decide to buy the lease bike at the end of the normal lease period this is called 'Transfer of Ownership – Regular'. If the lease is terminated before the normal lease period runs out, you can go down the 'Transfer of Ownership – Early Termination' route. You can read the applicable conditions in the document you receive from Lely if you sign up for a lease bike.
- At least one month before the end of the lease period, you will be sent an email stating the transfer of ownership fee payable for transferring ownership of the Lease Bike to you.
- You can pay the ownership fee by BACS or you can pay the fee directly to the bike shop at the end of the normal 36-month period.
- If you decide to not buy the lease bike, it must be returned to the bike shop for a final inspection at the end of the lease. After inspecting the Lease Bike, the bicycle shop records its findings in an inspection report. This document will be signed by you and the bike shop.

## 6. The process

Thanks to Lease a Bike's fully digital and automated platform, getting your hands on a lease bike is a quick and easy process. You just need to take the following steps:

**1** You start your registration by clicking this link [lely.lease-a-bike.nl](https://lely.lease-a-bike.nl). You sign up and wait for the digital approval to choose your lease bike.



- 2 Once you get approval from Lely, you are emailed a personal order code which you can use to choose a bike.
- 3 Bring this order code with you when you visit your local bike shop. With more than 1,500 bicycle shops affiliated with Lease a Bike, there is bound to be a shop near you.
- 4 If you not quite sure which bike you would like, the specialist in the shop will be able to advise you. Of course, you can also take a bike out on a test ride.
- 5 Once you've selected your dream bike, you can add accessories (optional) and choose which service and maintenance package suits you best. An insurance package is always included.
- 6 You digitally agree to Lely's conditions for leasing the bike.
- 7 You receive a 4-digit pin in an email. If the bike is in stock and ready to go, you can give the pin to the bike shop and then take your dream bike home with you.

**Please note:** do not give your pin until you can actually take the bike home with you. In other words, please don't submit it until your bike is in stock and ready to go.

- 8 Lely and the lease company automatically receive all the essential details by email.



Employee receives e-mail with approval



Employee picks bike at one of our 1.200 dealers



Employee agrees to the terms and conditions



Employee rides his bike home

## 7. Early termination of the lease

A lease is always entered into for a period of 36 months. However, in some cases your employment may end before this period ends. If that happens, there are a number of options:

### 1. The lease keeps running

You can find a colleague who is willing to take over the existing lease. No outstanding lease payments need to be paid as the lease does not come to an end.

### 2. The lease ends prematurely

There are two options if you decide to leave the company or if your employment contract is not extended, i.e.: A) buy the bike or B) make the remaining payments. We will explain these options below.

#### A. You buy the bike

You decide you are going to buy the bike. Lely buys out the lease from the lease company and then owns the bike. Lely then sells the bike to you for its current economic value and deducts this amount from your take home pay. In practice, this amount tends to be the equivalent of the remaining payments (minus the costs for the service package and insurance) plus approx. 20% of the retail price.

*Example: You choose a €2500 bike and make a gross monthly payment of €90 and then decide to leave your job after 24 months. You decide you would like to own the bicycle. Your employer buys out the lease by making the remaining payments minus the costs of the service package and insurance (+/- €23 per month). Lely then sells the bike to you for  $12 \times €67 = €804 + €500$  (20% of the new value) = €1,304. Please note, this a deduction from your take home pay and therefore does not have any tax advantages.*

## **B. You decide not to buy out the bike and return it**

You are responsible for making the remaining payments. Lely buys out the lease by making the remaining payments. Lely then deducts this amount from your take home pay. In line with the example provided above, this will result in a deduction of:  $12 \times \text{€}67 = \text{€}804$ .

## **Frequently asked questions:**

### **1. How does the 7% benefit-in-kind work?**

Lely adds 7% of the bike's recommended retail price to your income as a taxable benefit-in-kind. Payroll tax is then paid on this. You can find the benefit-in-kind listed on your pay slip. Here's an example: the recommended retail price for your bike is €2,500, giving an annual benefit-in-kind of €175. If you divide this amount by 12 months, you end up with a monthly benefit-in-kind of €14.58. This amount is added to your gross income. As a result, you need to pay tax every month on this amount. This will result in you paying approximately €5 more tax every month.

### **2. What are the costs for me as an employee?**

Lely decided to make a contribution to the monthly payment for your company bike. Compared to buying a new bike yourself, you could be up to 35% better off if you opt for a lease bike. This is because there are tax advantages linked to having a company bike. Calculating this amount is easy using the online calculator: [lely.lease-a-bike.nl](http://lely.lease-a-bike.nl)

### **3. What are the tax advantages?**

As an employee, the monthly payments for the bike plus the service and maintenance package come out of your gross salary (as a salary sacrifice). You temporarily and voluntarily sacrifice some of your gross income (salary sacrifice) to cover the monthly payments for the bike. This lowers the amount of the gross salary that you can be taxed on, thus giving you a tax advantage. Depending on your tax bracket, your tax advantage could be as high as 35% compared to buying a bike yourself.

### **4. Can I include accessories for my bike in the lease?**

Anything that can be attached to a bike, such as a helmet, panniers and bike lock – can be part of the lease. However, rainproof clothing, cycling clothes and bike computers cannot be included in the lease. The total price of the accessories cannot be more than 15% of the recommended retail price for the lease bike. The lease is activated as soon as you leave the bike shop with your new bike. Once you leave the shop, it is no longer possible to add accessories.

### **5. Can I make an additional contribution for the bike in the bike shop?**

No, Lely will allocate a maximum amount for your bike; this amount cannot be exceeded. You can let Lely know if you want a more expensive bike and they may reach an agreement with you to increase the budget.

You could also trade in your old bicycle. However, we do not recommend this. Your bicycle will be insured for the recommended retail price, which means you will not be entitled to a comparable bike if this one is stolen.

### **6. What happens if my bike breaks down?**

Has your bike broken down? Don't worry. Lease a Bike will come and pick you up 24/7 anywhere in the Netherlands. Please call 0592-390471. You will also be offered a replacement bike if you have a company e-bike or speed pedelec. for up to 7 days.

## 7. What happens if I need to get my bike serviced or repaired?

You can always visit an affiliated Lease a Bike dealer near you if you need to get your bike serviced or repaired. With over 1,500 affiliated branches, you will always be able to find one located near you.

## 8. Is a lease bike always a good option?

A lease bike is tax-efficient for most employees. However, if you receive a higher rate commuting allowance, you may need to take a closer look to find out whether or not a lease bike would have any tax advantages for you. This depends on:

1. The price of bike
2. How many days you plan on using your lease bike as part of your commute
3. The amount of commuting allowance you will lose

You can always contact [HR@lely.com](mailto:HR@lely.com) if you have any questions.

Please note: you can also opt to use your lease bike for personal use only. This means you can keep your commuting allowance. However, you will not be able to use your bike as part of your commute if this is the case.

## 9. How do I calculate the amount that will be deducted from my commuting allowance?

Example: if you live 10 kilometres away from where you work and get a commuting allowance 5 days a week, then you are entitled to €68 per month. If you decide to use your bike to commute to work once a week, then your employer will not pay your commuting allowance for that day. That amounts to  $€68 / 5 = €13.60$ . The commuting allowance you receive will now only be €54.40.