



# Salary Sacrifice Scheme Policy

EP27 / June 2026

## **Contents**

<b>1. Introduction .....</b>	<b>4</b>
<b>2. Cycle to Work Scheme.....</b>	<b>4</b>
<b>3. Wider Tech Scheme .....</b>	<b>5</b>
<b>4. Additional Annual Leave Purchase Scheme .....</b>	<b>6</b>
<b>5. Childcare Scheme.....</b>	<b>7</b>
<b>6. Season Ticket Purchase.....</b>	<b>8</b>
<b>7. Further Salary Sacrifice Information.....</b>	<b>9</b>

## Version control

Version number	Author/Owner	Approver	Date updated/ reviewed
<b>01</b>	<b>Head of HR</b>	<b>CEO</b>	<b>October 2023</b>
<b>02</b>	<b>Head of HR</b>	<b>CEO</b>	<b>June 2026</b>

The idea of salary sacrifice/salary exchange schemes is very simple - the cost of purchase of the good or service is deducted from employee's gross salary, which means they can spread the cost and under certain of our scheme save on income tax, National Insurance and VAT, and therefore make the most of your salary.

## **1. Introduction**

The policy is an overview of the current Salary Sacrifice Schemes available at Transport for the North (TfN).

To qualify for any of the schemes below, an employee needs to have a minimum number of months left on their contract (applies to fixed term contracts) required to cover the entirety of the loan for which they are applying. TfN reserves the right to review/consider any specific circumstances and apply discretion in relation to approving any such loans under this scheme. Where any such request is refused for any reason this will be fully outlined to employee who will have the right to appeal.

## **2. Cycle to Work Scheme**

Cycle to Work Scheme provides a simple way for employees to cut the cost of buying a bike, making it easier to start cycling to work. The scheme allows you to choose from all the leading UK bike brands, with options to select a bike from Halfords or from hundreds of independent retailers. Employees can even take advantage of seasonal promotions and Halfords' price-match promise, to ensure they get the best possible value.

When an employee signs up for the Cycle to Work Scheme, TfN will provide them with their chosen cycle and accessories (up to £3,000) in exchange for an equivalent amount of their normal salary. Unlike employee's salary, you won't pay any tax or National Insurance on the value of the cycling equipment, so this simple swap (or 'salary sacrifice') means you receive automatic savings.

Repayments of loans given by TfN will be required to be made by the employee in 18 monthly instalments as a direct deduction from their monthly salary payment. During this period, ownership of the cycle remains with TfN, and the employee effectively hires the equipment from TfN.

In permitting entry to this and/or any other TfN Salary Sacrifice Scheme, TfN will ensure that an employee is not below the lower earnings limit (LEL)/ National Minimum Wage (NMW) level after all deductions.

Where an employee has opted to participate in more than one scheme, the order in which they joined (i.e. the scheme they joined first) will take preference in determining the order in which deductions are being made from an employee's salary where the LEL/NMW level is exceeded.

Employees are not permitted to Salary Sacrifice against any statutory payments they receive such as payments received for Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), etc.

At the end of the loan period, TfN will write to advise the employee of the Fair Market Valuation (FMV) of the cycle and offer the employee the option of either purchase or dispose of the cycle.

TfN will cover the cost of employee's cycle and accessories up-front and recoup the cost from their salary over the term of the agreement.

Scheme Benefits:

- Tax and National Insurance savings on cycles and accessories
- Choice of the UK's top bike brands
- On-line or in store bike selection, via Halfords or and independent retailer.

Employee Responsibility

The Scheme Provider and TfN accept no responsibility for loss or damage to the equipment issued. It is the responsibility of the employee to adequately insure the equipment. If the equipment is damaged or stolen the employee will still be required to pay the remainder of any outstanding loan.

The employees' pension contributions will be based on the reduced salary plus the value of the equipment payments. Entitlements to sick pay, maternity pay, and paternity pay will be based on the reduced salary only.

An employees' Working Tax Credit may be affected. Therefore, it is advisable for employees to contact the Working Tax Credit helpline before joining this or any other salary sacrifice scheme.

Notice/Termination

In the event that an employee leaves the employment of TfN for any reason, the balance owing on the loan will be taken from the employee's final net salary. Tax will be paid on the FMV of the equipment purchased and at 18 months full ownership of the equipment will then transfer to the employee.

TfN has the discretion to cancel the employee's loan in the event of life changing circumstances, subject to approval of the relevant Operating Board Member.

TfN reserves the right to change the operator of this scheme with reasonable notice.

### **3. Wider Tech Scheme**

Wider Tech is a technology purchasing scheme providing TfN employees with an easy and affordable way to access the latest in mobile devices, technology and electrical goods, spreading the cost over a manageable period via salary deduction.

This scheme allows you to choose from Argos, John Lewis, Currys or Apple, with options to select your desired product from hundreds of stores and online, without worrying about qualifying for retailer payment plans or credit agreements.

When an employee signs up for Wider Tech Scheme, TfN will provide them with a voucher (up to £3,000) in exchange for an equivalent amount of their normal salary.

Repayments of loans given by TfN will be required to be made by the employee in 18 monthly instalments as a direct deduction from their monthly salary payment.

In permitting entry to this and/or any other TfN Salary Sacrifice Scheme, TfN will ensure that an employee is not below the lower earnings limit (LEL)/ National Minimum Wage (NMW) level after all deductions.

Where an employee has opted to participate in more than one scheme, the order in which they joined (i.e. the scheme they joined first) will take preference in determining the order in which deductions are being made from an employee's salary where the LEL/NMW level is exceeded.

Employees are not permitted to Salary Sacrifice against any statutory payments they receive such as payments received for Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), etc.

In the event of employee leaving TfN within the period covered by the salary deduction agreement, an adjustment will be made to the final net pay. If the final net pay is insufficient, the employee is obliged to pay monies owed withing an agreed timeframe.

#### **4. Additional Annual Leave Purchase Scheme**

The additional Annual Leave Purchase Scheme allows employees to purchase extra annual leave and spread the cost over the year. The scheme runs via Salary Sacrifice, so the costs are deducted from employee's gross salary.

Employees can request up to a maximum of 8 days, pro-rated for part time employees, in any one annual leave year and the cost will be calculated as a percentage of the total annual salary. The total cost is then spread over the rest of the year, making it more affordable to take extra time off.

Scheme Benefits:

- Better work-life balance
- Quick and easy application process
- Cost spread over 12 months

The cost of purchasing additional annual leave under this scheme is calculated by dividing the employee's annual salary (full time equivalent) by 261 (the standard number of working days in a year) to determine a daily rate and then multiplying this figure by the number of days being purchased.

The total cost is then spread across the remaining pay periods in the financial year via salary sacrifice.

For more information on Additional Annual Leave Purchase Scheme, please refer to TfN Additional Annual Leave and Career Break Policy which is available on our Intranet.

## **5. Childcare Scheme**

### *Childcare Vouchers Scheme*

Childcare Vouchers Scheme provide an easy way for working parents to save on the cost of childcare. Suitable for children up to age 15, childcare vouchers can be used for a wide range of care, from nurseries and childminders through to holiday camps and breakfast clubs.

**Please Note:** The Childcare Voucher Scheme has closed to new applicants in October 2018. Employees may be able to get Tax-Free Childcare instead. More details on Tax-Free Childcare can be found [here](#).

### *Childcare Vouchers and Tax-Free Childcare*

Employees who are getting Tax-Free Childcare cannot continue to claim childcare vouchers.

Employees must tell TfN within 90 days if they get Tax-Free Childcare. TfN will then stop giving employees new vouchers.

Any vouchers employees already have can be used, including to make a joint payment for childcare with Tax-Free Childcare. There's no deadline for using Childcare Vouchers.

Once TfN has been advised that employee is getting Tax-Free Childcare, Childcare Voucher Scheme cannot be rejoined.

### *Tax-Free Childcare*

Employees can get up to £500 every 3 months (£2,000 a year) for each of their children to help with the costs of childcare.

If an employee gets Tax-Free Childcare, the government will pay £2 for every £8 they pay their childcare provider via an online account.

Tax-Free Childcare can be used to pay for approved childcare.

### **Tax-Free Childcare - Eligibility**

#### *Employee and their partner:*

An employee can usually get Tax-Free Childcare if they (and their partner, if they have one) are:

- In work – or getting parental leave, sick leave or annual leave
- Each earn at least the National Minimum Wage or Living Wage for 16 hours a week - this is £120 if they are over 25

- An employee is not eligible if either them or their partner has a taxable income over £100,000.

*Employees' Child:*

Employee's child must be 11 or under and usually live with the employee. They stop being eligible on 1 September after their 11th birthday.

Adopted children are eligible, but foster children are not.

If employee's child is disabled they may get up to £4,000 a year until they're 17. They're eligible for this if they:

- Get Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment
- Are registered as blind or severely sight impaired.

*Childcare Provider:*

The childcare provider must be signed up to the scheme before employee can pay them and benefit from Tax-Free Childcare.

## **6. Season Ticket Purchase**

TfN offers employees an opportunity to purchase a suitable public transport season ticket via salary sacrifice. The costs of the pass purchased are deducted from the employee's net salary. Two alternative purchase options are available to all employees as per set-out below:

*Northern or TransPennine Express (TPE) Travel Pass Salary Sacrifice*

TfN will afford all employees the ability to purchase a suitable Northern or TransPennine Season Ticket/Travel Pass for home to work travel via salary sacrifice.

For all employees previously hosted by either TfGM or WYCA and who give up their entitlement to continue to receive a TfGM or WYCA travel pass, TfN will subsidize the cost of purchase of a Northern and TransPennine Express pass up to £1,600 per annum (£133.50 per month). Where the cost of a suitable pass exceeds £1,600 per annum, TfN will purchase the pass on behalf of the employee and recharge the employee the excess amount above £1,600 as a monthly deduction from their salary, thus, allowing the employee the ability to spread the cost over a 12-month period.

All other employees will be required to enter into an agreement with TfN to re-pay monthly the full cost associated with the provision of the pass requested, thus allowing the employee the ability to spread the cost of the pass purchased over a 12-month period.

TfN reserves the right to withdraw access to either the Northern or TransPennine Express products (or equivalent) cease to exist or be available.

### *Other Public Transport Travel Pass / Season Ticket Salary Sacrifice*

Where the above option is not available/suitable; employees have the option to purchase an appropriate public transport travel pass or season ticket via Salary Sacrifice.

For all employees previously hosted by either TfGM or WYCA and who give up their entitlement to continue to receive a TfGM or WYCA travel pass, TfN will subsidize the cost of purchase of an appropriate public transport travel pass up to £1,600 per annum (£133.50 per month). Where the cost of a suitable pass exceeds £1,600 per annum, TfN will purchase the pass on behalf of the employee and recharge the employee the excess amount above £1,600 as a monthly deduction from their salary, thus, allowing the employee the ability to spread the cost over a 12-month period.

All other employees will be required to enter into an agreement with TfN to re-pay monthly the full cost associated with the provision of the pass requested, thus allowing the employee the ability to spread the cost over a 12-month period.

Should an employee leave TfN employment they will be required to pay the remainder of the balance owed on the pass purchased and for subsequently cancelling the pass and/or obtaining a refund from the pass provider. This is with the exception of cases of redundancy where any financial loss incurred by the employee following cancellation of the pass will be borne by TfN.

## **7. Further Salary Sacrifice Information**

For more information on Salary Sacrifice Schemes, please visit Wider Plan website on <https://www.widerplan.com/> or call their customer service team on 0800 612 7550.

Please be advised that all Salary Sacrifice Schemes are subject to Terms and Conditions available on the Salary Sacrifice website.



[info@transportforthenorth.com](mailto:info@transportforthenorth.com)

0161 244 0888

---

Transport for the North  
Level 6, Town Hall Extension,  
Lloyd Street  
Manchester  
M2 5DB