

Company bike benefit FAQ

*Vapaus Bikes Finland reserves rights for changes.

Contents

1.	Why Vapaus company bike benefit service?	2
2.	What is a company bike benefit/what does it mean?.....	2
3.	How does Vapaus bike benefit service work?	2
4.	How is the system used?	3
5.	What can be included in an employee bike benefit package?	3
6.	How is the taxable value of the bike determined?.....	3
7.	What does employee savings mean and where does it come from?	4
8.	What happens to the bikes when the contract ends?	5
9.	What is the residual value?	5
10.	How is the contract period determined?	5
11.	How does return protection work?	6
12.	What are the employer's costs related to the bike benefit?.....	6
13.	Where can I get a company benefit bike?	6
14.	I want a company benefit bike, what do I do?	6
15.	I want to get a bike from your partner store, what do I do?.....	7
16.	I want to get a bike from an online store (in the EU), how?	7
17.	Can the redemption price of a company benefit bike be added to monthly payments?	8
18.	What is the maximum price of a tax-exempt company bike?.....	8
19.	How does employee benefit bike maintenance work and what is a service budget?	8
20.	What are the company bike benefit bike user rights?	9
21.	How does insuring an employee bike work?.....	10
22.	Does the employee bike benefit have any interests with the car benefit?	10
23.	Can I return the bike when it arrives?	10
24.	Can home insurance be used on company benefit bikes?	11

1. Why Vapaus company bike benefit service?

- Vapaus is the most risk-free and flexible company bike benefit service.
- The most risk-free because the service includes return cover, the most comprehensive insurance on the market and an error cover that exceeds the manufacturer's warranty period.
- The most flexible because the employee can choose from a wide range of bikes and a maintenance contract if they are unable or unwilling to service the bike themselves.

2. What is a company bike benefit/what does it mean?

- Since the beginning of 2021, the bicycle benefit given to employees is tax-free income up to €1,200€ per year (€100 per month).
- The benefit can typically be obtained as part of a salary, in which case a certain amount is deducted from the employee's wages monthly. The discount/tax benefit received by the employee is generally equal to his or her tax rate (more specifically the marginal tax rate).
- Some employers offer an advantage in addition to wages, i.e., in practice as a wage increase.
- The bike benefit is part of the commuting benefits. The commuter benefit is tax-free for employees up to €3,400 / year. Thus, after €1,200 / year bike benefit, there is still €2,200 / year to be used for the other commuting benefits.
- Using the employee bike benefit doesn't automatically reduce the cost of commute tax deduction of other vehicles.

3. How does Vapaus bike benefit service work?

- Typically, Vapaus has made a framework agreement with the employer company.
- Employees choose their bikes from Vapaus Partner Network shops
- Vapaus buys the bike from a bike shop and bill the employer for the contract period.
- The shop may direct the customer, who does not yet have a contract on behalf of the employer, to contact Vapaus [Sales sales@vapaus.io](mailto:Sales_sales@vapaus.io)

4. How is the system used?

- The employee chooses a suitable bike with equipment with the help of a bike dealer.
- The employee bike portal can be found [at app.vapaus.io/shop](https://app.vapaus.io/shop)
- The employer's information describes who is entitled to the benefit and how the employee proves that he or she is entitled to the benefit.
- The employer's information also describes the frameworks of the service package, e.g., maximum taxable value and length of contract period.
- The prices of the bike and accessories and services and the desired contract period are recorded in the system. In addition, basic information about the bike, e.g., make, model, body number.
- The system indicates the taxable value of the package.
- Before the bike is handed over to the customer, a frame sticker with the Vapaus code is glued to it. The code is stored in the bike data database.

5. What can be included in an employee bike benefit package?

- Bicycle or electric bike
- bike-mounted accessories, e.g., lights, seat bags, racks, and studded tires. A child seat or bike cart is not included in the package.
- The helmet may be included in the package. Other wearable equipment, e.g., shoes or jackets don't.
- Additional service related to the purchase of a bike, e.g., bike-fitting may be included in the package.

6. How is the taxable value of the bike determined?

The app makes it easy and quick to calculate the taxable value and enter your order. Even in busy times, the process doesn't take much time out of customer service.

The rateable value consists of the following components:

- Purchase price of the bike less salvage value
- Optional fixed bike accessories e.g.
 - Helmet
 - Lock

- Fenders
- kickstand
- winter tires
- Lights
- pedals
- Selected contract time service budget
 - 20 €/month
 - 16 €/month
 - 12 €/month
 - 0 €/month
- Financing cost
- Cost of theft, vandalism, and crash cover insurance
- Return security.
- Vapaus extended insurance for the entire contract period

7. What does employee savings mean and where does it come from?

The savings arise from the interaction between taxable value, wages, tax rates and other tax-like contributions. In other words, savings are independent of the leasing partner and it is important to treat the number given by the calculator as an indicative estimate.

The savings are greater when:

- 1) the taxable value is closer to 100 €/month
- (2) higher tax rate

When a tax-exempt company bike is part of a salary, monetary wages before taxes decrease by the taxable value (e.g., 100 €/month). However, thanks to the tax-exempt rateable value, the wages remaining in the hand typically fall by only € 30–50.

This is what savings mean.

It is important to note that the calculation does not assume that the reduction in monetary wages in the tax rate will decrease. If the tax rate decreases by only 0.5 percentage points, the savings typically increase significantly.

Therefore, it is always advisable to check your situation with the tax authorities' calculator.

You can also estimate your savings with your marginal tax rate. The savings in tax-exempt fringe benefits can be estimated to be equal to your marginal tax rate on average.

You can view your marginal tax rate here:

<https://www.veronmaksajat.fi/luvut/Laskelmat/Palkansaajan-veroproositit/#d557d0e1>

8. What happens to the bikes when the contract ends?

When the leasing period ends, the customer can redeem the bike with the residual values specified in the agreement between Vapaus and the employer. If the customer does not redeem the bike, it will return to Vapaus. The bike is returned to the partner store, where the seller checks that the condition of the bike meets the criteria* and marks the bike as returned. Vapaus orders pick up of the bike. If the bike does not meet the criteria, contact Vapaus.

*) The bike must meet the following criteria for the return to be accepted.

- The frame is straight and has no big bumps or dings.
- The wheels of the bike are fit to drive, the spokes are not broken.
- The gears are operational.
- The brakes are in working order.
- The tires are fit to drive.
- In the case of an e-bike, the electrical assistance, and its steering functions work.

9. What is the residual value?

The residual value is the value at which the bike and accessories can be redeemed at the end of the contract period. The residual value depends on the length of the contract. With Vapaus company benefit bikes the residual value varies, as this allows employees to get more valuable bikes even during the short contract period.

10. How is the contract period determined?

A company bike is usually taken with a contract period of 24 or 36 months, but the Vapaus Service is flexible according to your needs from 6 months to 60 months. With a

longer contract period, you can fit a more valuable bike for the tax-exempt of €100/month. At the end of the contract period, you decide whether you want to redeem the bike for yourself or return it and replace it with a new one. For e-bikes, many people want to upgrade the bike and choose a return.

11. How does return protection work?

Vapaus provides return protection for every company bike. In practice, for any reason you can return the bike and the cost is three months' s fees (rateable value + handling fee of EUR 17 per month). So, you can take an e-bike for an experiment without a long commitment and risk.

12. What are the employer's costs related to the bike benefit?

The benefit bike that is part of an employee's wages reduces the employer's wage costs by the taxable value. We provide a completely transparent invoice amount of the taxable value of the bike + office fee 17 €/month (incl. VAT 24%). The employer pays the social security payments of the bike's taxation value, excluding the health insurance contribution. The employer's expenses are lower than the leasing partner's office fee, as the employer saves on the health insurance expenses.

13. Where can I get a company benefit bike?

You can get a bike from any of our partner stores ([you can find the shops here](#)). There are already over 200 bike models in the range. On site, you get expert service, and you can also test ride certain models. In addition, you can take advantage of Vapaus remote service and order a bike from any online store in the EU. There is almost unlimited variety and service!

14. I want a company benefit bike, what do I do?

- Make sure your employer has agreed to the benefit.
- Go to app.vapaus.io and sign-up.
- From the settings: add an email and social security details -> identify yourself to the app with your bank-ID. After identification, you will return to the original site
- Find the bike you like.

- Make sure it fits in the frames set by the employer with this counter:
<https://www.vapaus.io/tyosuhdepyoralaskuri>
- The procurement process depends on whether the bike is purchased from a local shop or from an online store.

15. I want to get a bike from your partner store, what do I do?

- All transactions take place within the partner store.
- Add-ons to a bike package are always purchased from the same place as the bike.
- Make sure you have signed up and created Vapaus account for yourself in <app.vapaus.io>
- Partner store employee checks identity and right to employee bike benefit.
- The bike will not be handed over to the user from the partner shop until the customer has added the Vapaus code they receive in their own Vapaus profile.

16. I want to get a bike from an online store (in the EU), how?

- Find your own bike online (EU online stores) and make sure it fits within the limits set by your employer.
- Go to your Vapaus account ([Vapaus app](#)), and from the top menu, under “Employee Benefit Bikes”, you can access the bike order form
- Press the button “Order employee benefit bike” and send us all the necessary information about the bike. Ps. we can order a bike for you from those online stores in the EU that can sell bikes to companies
- Note! All expenses must fit in the package! I.e. bike, shipping costs and handling fee of remote service (à 48€), accessories, and possible assembly (à 60€) in our Vapaus Bike Center in Mall of Tripla (Pasila, Helsinki)
- Vapaus remote service orders the bike and delivers it directly to the customer or Mall of Tripla bike center.
- When the bike arrives, the customer adds the Vapaus code to their details in <app.vapaus.io> and fixes the QR code sticker to the bike (Vapaus code will be sent by email and QR-code sticker sent by traditional mail)
- If you need professional help in choosing the right bike and accessories the remote service is happy to help you: bikes@vapaus.io or tel. +358 50 3311 641

17. Can the redemption price of a company benefit bike be added to monthly payments?

We know that many operators in the sector will amortize the bike completely during the contract period. We, on the other hand, do not amortize the bike completely during the contract period, in which case the contract periods are slightly shorter. In this case, you will pay a little less for the bike compared to other players in the industry in a situation where you do not redeem the bike. On the other hand, when redeemed, there is a hunch more. However, the differences are not great in one direction or the other.

18. What is the maximum price of a tax-exempt company bike?

Maximum price of a tax-exempt bike: 4872 € (100 €/month), with a 60-month contract.

The employee bike calculus gives you a monthly cost that gives you direction:

vapaus.io/vapaus.io/tyosuhdepyoralaskuri

19. How does employee benefit bike maintenance work and what is a service budget?

The employee can select the service budget that he or she wants, which is included in the taxable value. The selected service budget calculates the maximum price of the bike you want to select, but also allows you to take advantage of the tax advantage in service services. Examples of the service budget are presented in more detail in the Vapaus Service Description and Terms of Service Appendix.

If the selected maintenance budget is exceeded, the exceeding portion extends the lease-to-contract period of the bike, in which case the free return or and/or redemption is passed on. When actual service charges exceed the selected service budget, the extension of the contract period is calculated using the formula:

Actual expenses /rateable value that exceeded the service budget = the number of units in the contract months rounded up to the next equal number.

Service costs exceeding the budget can also be paid directly to Vapaus at the end of the leasing contract period, in which case the employee currently with the contract needs to get in touch with Vapaus.

Vapaus provides maintenance services at its own service center in Mall of Tripla, Helsinki. The employee with the contract can also choose any service center they want. The service center charges all the costs directly to Vapaus, so when the service

budget is in question, maintenance costs do not have to be paid onsite. However, if a service center that is not listed in the Vapaus Partner Network is selected, the ability of such a selected service company to invoice the Vapaus needs to be review in advance. In addition, it is good to mention the maintenance budget to the service company, so that no major surprises arise.

ALWAYS SUITABLE SERVICE BUDGET

Service your bike as you please. With Vapaus company benefit bikes you never pay for unnecessary things.

- 20 €/month - Do you drive a lot, maybe even over 1,000km a year? This service budget is for you, including 240 € / year of maintenance work and/or spare parts.
- 16 €/month - Budget of active cyclists cycling over 500 km per year. Includes 192 € / year of maintenance and/or spare parts.
- 12 €/month - Budget of cycling less than 500 km per year. Includes 144 € / year of maintenance and/or spare parts.
- 0 €/month - You want to service your bike yourself and not include it in your taxable value. This package is just for you, allowing you to maximize the value of bike price in your taxable value.

20. What are the company bike benefit bike user rights?

The company benefit bike is intended for the employee's personal use and for leisure time. The operator of the bike shall be responsible for its own performance and shall not hand it over or make available to persons who do not have access to the bike or vehicle. When driving a vehicle (e-bike) or bike, the user complies with the Road Traffic Act and pays particular attention to the use of statutory safety equipment.

21. How does insuring an employee bike work?

Vapaus ensures bikes and, if necessary, equipment with insurance provided by the insurance company. The insurance compensates Bike for damage caused by robbery theft or burglary. In addition, the insurance compensates for the theft of a locked bicycle in different locations in Finland or during business and holiday trips around the world. The insurance also compensates for intentional damage of a locked bike.

In addition, the insurance compensates for the breakage or damage caused by a sudden and unforeseeable external event, and as a result the bike is not fit to drive. External events include unforeseen falls, road derailments or crashes into another vehicle, person, or object.

If necessary, the insurance will cover the corresponding rental bike during repairs or delivery delays. The replacement bike is entitled to insurance events if it takes more than 3 weeks to repair the bike or get a new bike. The costs of the rental bike shall be reimbursed for a maximum period of three months.

The liability for the damage is 340 €/round/accident and can be deducted from the employee's wages.

If the bike and/ or Equipment is damaged by the Employee himself or herself, other than because of a crime or in connection with the accident, no damage will be covered by the insurance, the worker shall be liable for compensating Vapaus for damage to the Bike and/or Equipment. Vapaus may also agree with the Employee to cover the damage with the Employee's service budget.

22. Does the employee bike benefit have any interests with the car benefit?

The company bike benefit has no interest with the car benefit. However, the interest is with the company travel ticket benefits. The combined benefit of the employee bike benefit and the company travel ticket cannot exceed € 3,400 per year.

23. Can I return the bike when it arrives?

Bikes ordered from online stores can be returned within three days of arrival.

24. Can home insurance be used on company benefit bikes?

The possibility to use home insurance for an employment bike is very individual. Practices vary a lot from insurance company to insurance company, so it is always a good idea for the employee to check with their own insurance company. However, Vapaus company benefit bikes are always comprehensively insured by us in the event of theft, vandalism, and accidents.