

An Roinn Oideachais & Scileanna
An Rannóg Párolla
Cor na Madadh Luain
Baile Átha
Co. na Iarmhí



Payroll Division,
Dept. of Education & Skills
Cornamaddy
Athlone
Co. Westmeath

Circular Letter 0045/2015

**For the Attention of Teachers, Special Needs Assistants, Clerical Officers,
Caretakers and Child Care Workers paid on Payrolls operated by the
Department of Education and Skills**

**Travel Pass Scheme
(Tax Saver Commuter Tickets)**

Science
Post Primary Branch
Block 2 (Ground Floor)
Marlborough Street
Dublin 1
Fax (01) 809 5048

1 Introduction

I am directed by the Minister for Education and Skills to inform you of the availability of the annual Travel Pass Scheme.

Legislation was introduced in the Finance Act 1999 which allows an employer to incur the expense of providing an employee with an annual bus/rail pass, without the employee being liable for benefit-in-kind taxation. The Revenue Commissioners have agreed that the benefit-in-kind tax exemption will apply in the context of salary sacrifice, that is, where an employee agreed to forego or sacrifice part of his/her salary in lieu of the provision of the travel pass by the employer. The employee will not pay tax, PRSI, universal social charge or pension related deduction on the remuneration sacrificed.

For the purpose of the Travel Pass Scheme, any reference to employer in this circular can be taken as a direct reference to the Department of Education and Skills, as paymaster. Any reference to employee relates to the individual primary or second level teacher, special needs assistant, clerical officer, caretaker or child care worker paid on payrolls operated by the Department of Education and Skills as paymaster.

2. Commencement of the scheme

The scheme will become operational on 1 January each year.

3 Requirements and conditions of the scheme

Salary sacrifice by an employee in lieu of the provision of a travel pass by an employer will be acceptable to the Revenue Commissioners as being effective for tax purposes under the following conditions:

- There must be a bona fide and enforceable alteration to the terms and conditions of employment, i.e. exercising a choice of benefit instead of salary;
- The alteration must not be retrospective and must be evidenced in writing;
- There must be no entitlement to exchange the benefit for cash;
- The choice exercised (benefit instead of cash) cannot be made more frequently than once a year and then only with the consent of the employer.
- The choice exercised must be irrevocable for the relevant year for which it is made.

The salary sacrifice will have no impact on pension contributions or on pension benefits.

The conditions of the scheme are set out at Appendix A of this circular.

4 Benefits for Employee and Employer

Because the non-taxable benefit replaces the salary foregone, the employee will not be liable to tax, PRSI, universal social charge or pension related deduction on the cost of the travel pass provided by the employer. The Travel Pass Scheme underpins Government policy on the wider use of public transport.

5 Application for Travel Pass

Employees wishing to avail of the travel pass will be required to:

- complete an Application Form which outlines the options for annual tickets being offered by transport providers, and
- sign an Authorisation Form and familiarise themselves with the conditions governing the scheme.

These forms will be available in September and October each year on the Department's website www.education.ie – Travel Pass.

On receipt of the completed application and authorisation forms, the Department will place an order with transport providers for the issue of annual passes in respect of the employee who opted to take up the scheme. The Department will then issue the pass to each employee.

It is important to note that the travel pass is issued to the applicant by registered post. It is therefore essential that the address supplied on the application form is the address where the applicant will be, in order to accept delivery. A school address should not be used for this purpose.

6 ID Requirements

First time applicants who do not already have a Photo I.D. card for the relevant transport company must obtain one.

Details of ID requirements are available in the Travel Pass Application Form.

7 Closing date for receipt of applications

The closing date for receipt of applications will be the first working day of November.

This closing date will be strictly adhered to and no exceptions can be made.

8 Queries

Queries regarding the operation of this scheme should be directed by email to the appropriate Payroll area:

Primary teachers please email prmtch_payroll@education.gov.ie

Post Primary teachers please email pppayroll@education.gov.ie

Non teaching staff please email NTSPayroll@education.gov.ie

P. Maloney,
Principal Officer.

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Appendix A

Travel Pass Scheme Terms and Conditions

1. The applicant must be employed in a Permanent, Contract of Indefinite Duration (C.I.D), fixed term, or Regular Part Time capacity at the date of application. The employment must be capable of lasting until the salary sacrifice has been recouped. It is not possible for casual or non casual employees to avail of the scheme.
2. The employee must sacrifice or forego part of his/her annual basic salary in lieu of the provision of the annual travel pass by the Department. This arrangement will operate for a period of one year and the salary sacrifice will be reflected in his/her pay slips over that period.
3. In the event of an employee changing schools (but still being paid directly by the Department of Education and Skills, the travel pass will transfer with the employee. In doing so, there will be no change to the terms and conditions of the scheme.
4. If an employee avails of unpaid leave of absence which continues to the end of the tax year, or ceases employment prior to the end of the tax year of participation in the Travel Pass Scheme, he/she must surrender his/her annual pass. The Department of Education and Skills will then seek a refund from the transport provider for the unused part of the travel pass (a refund for a travel pass issued under the scheme will only be made to the Department).

Important Note

Please note, it is not always possible to obtain this refund from the transport provider. In such cases the employee will have to bear the full cost of the Annual Ticket. If this should occur, it will then be necessary for the Department of Education and Skills to recover the balance due from the employee. (please refer to Circular: Pay 15/2004. Policy and Procedures for dealing with Overpayment of Salary/Allowances)

If an employee avails of unpaid leave of absence and returns to work before the end of the end of the tax year, the outstanding amount owed may be collected in higher deductions for the remainder of the year

5. The Department of Education and Skills operates this scheme for employees on the basis of an annual option. Accordingly, the employee will not be able to cancel his or her participation in the scheme prior to the expiry of the one year period.
6. The Department will accept no liability or responsibility in the case of lost or unused travel passes or in the case of any injury which the employee may incur while using the travel pass.
7. An employee's lost travel pass may be replaced at a cost to him/her, per month remaining until the end of the year. This cost is determined by the transport provider.
8. The Department accepts no responsibility for misuse of travel passes by employees and asserts that each travel pass issued by virtue of this scheme is strictly non-transferable.
9. The scheme applies only to annual bus, rail or ferry passes issued by Iarnród Éireann, Bus Éireann, Dublin Bus, Luas or other approved transport providers. Information on approved transport providers is available from the Department of Transport, Tourism and Sport.
10. The salary sacrifice will have no impact on pension contributions or on pension benefits, in accordance with the rules of the relevant superannuation scheme.
11. The salary sacrifice will have no impact on allowances normally calculated as a percentage of basic pay.

12. Employees who participate in the scheme will be included for one year. A new application will be required in respect of each subsequent year of participation.
13. More information on the benefit-in-kind tax exemption for an annual travel pass is available on the revenue web page www.revenue.ie