



An Roinn Airgeadais
Department of Finance

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Circular 50/2001: Travel Pass Scheme for the Civil Service

1. Introduction

I am directed by the Minister for Finance to announce the introduction of a Travel Pass Scheme for the civil service.

Legislation was introduced in the Finance Act 1999 which allowed an employer to incur the expense of providing an employee with a monthly or 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 or PRSI on the remuneration sacrificed.

2. Commencement of the scheme

Departments/Offices are requested to introduce the scheme on 1 January 2002.

3. Requirements 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.

4. Benefits for Employee and Employer

Because the non-taxable benefit replaces the salary foregone, the employee will not be liable to tax or PRSI on the cost of the travel pass provided by the employer. The employer will also benefit because an employer's PRSI contribution is not payable on the cost of the pass provided.

The Travel Pass Scheme will underpin Government policy on the wider use of public transport.

5. Issue of Travel Pass

Individuals wishing to avail of the Travel Pass will complete the Application Form (Appendix 1) which outlines the options for annual tickets being offered by transport providers. They will also sign the Authorisation Form and familiarise themselves with the conditions governing the scheme (Appendix 2).

On receiving completed Application Forms and Authorisation Forms, the Department/Office will place an order with transport providers for the issue of annual passes in respect of the individuals who opted to take up the scheme. The passes will then be issued to each individual by the Department/Office.

Any queries from Departments/Offices relating to this circular may be directed to Maurice Kiely, Room 17, Department of Finance, 73-79 Lower Mount St., Dublin 2. Tel. 604 5739; maurice_kiely@finance.irlgov.ie. Queries from individual officers should be directed to the Personnel Sections of their own Departments.

Mise le meas,

Joe McGovern
Assistant Secretary

**Travel Pass Scheme
Application Form**

To: Personnel Section
Department of

From: _____
_____ Section

Personnel No.: (*as on payslip*) _____

Annual Ticket Choice:

Annual Bus Travelwide

Offers unlimited travel for one year on all Dublin Bus services within the total bus network, except Airlink, Ferry services and Tours. €558 (£440)

Annual Rail Outer Short Hop

Offers unlimited travel for one year on all Dublin Suburban Rail, Arrow and DART services between Balbriggan, Kilcoole, Hazelhatch and Maynooth. €630 (£499)

Annual Bus and Rail Short Hop

Offers unlimited travel for one year on all Dublin Bus services, and all Dublin Suburban Rail, Arrow and DART services between Balbriggan, Kilcoole, Hazelhatch and Maynooth except Airlink, Ferry services and Tours. €698 (£550)

Iarnrod Eireann Rail Only Pass
(Please specify station)

From: _____ To: _____
(Price will depend on the point to point travel involved)

*Other Annual Pass issued by
approved transport provider*

(e.g. Bus Eireann, private operator)

Name of provider: _____

From: _____ To: _____
(Price will depend on the point to point travel involved)

Please opt for whichever ticket suits your needs and sign the Authorisation Form below after you have read and understood the conditions of the scheme. An early application would be appreciated.

Ticket No. Issued: _____

Travel Pass ID Number: _____

**Travel Pass Scheme
Authorisation Form**

I wish to sacrifice or forego € (Ir£) of my annual basic salary in lieu of the provision of an annual travel pass by the Department/Office of
I realise that this arrangement will operate for a period of one year and that the salary sacrifice will be reflected in my pay cheques and pay slips over that period.

I have read and I agree to the conditions overleaf.

Personnel No.: *(as on payslip)* _____

Signed: _____

Date: _____

Travel Pass Scheme Conditions

1. The employee must be employed on a permanent/probationary basis at the date of application. An employee employed under a fixed term contract will also be eligible to apply.
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/Office. This arrangement will operate for a period of one year and the salary sacrifice will be reflected in the employee's pay cheques and pay slips over that period.
3. Annual travel passes will be transferable from one Department/Office to another within the civil service. However, if an employee leaves the civil service prior to the expiration of the one year period of participation in the travel pass scheme, he/she must surrender his/her annual pass. The Department/Office 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 relevant Department/Office).
4. It is a condition of the Revenue Commissioners that the scheme operates 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.
5. The Department/Office accepts no liability or responsibility in the case of lost or unused travel passes (most transport providers will replace lost passes at a small fee), or in the case of any injury which the employee may incur while using the travel pass.
6. The Department/Office accepts no responsibility for misuse of travel passes by its employees and asserts that each travel pass issued by virtue of this scheme is strictly non-transferable.
7. The scheme applies only to annual bus and rail passes issued by Iarnrod Eireann, Bus Eireann, Dublin Bus and other approved transport providers. Personnel Sections in the first instance, or the Department of Public Enterprise will advise on approved transport providers.
8. The salary sacrifice will have no impact on pension contributions or on pension benefits, in accordance with the rules of the Civil Service Pension Scheme.
9. The salary sacrifice will have no impact on overtime and other allowances normally calculated as a percentage of basic pay.
10. 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.
11. The Revenue Commissioners' published article on the benefit-in-kind tax exempt Travel Pass Scheme is available for reference from Personnel Sections.