

Civil Service Conciliation and Arbitration Scheme

General Council Report 1391

(Meeting/s of 26 April 2000, 28 June 2000, 31 January 2001, 25 April 2001, 25 July 2001, 31 October 2001)

Claim seeking the provision of a bus and/or train pass by respective Government Departments, as Employer to each employee who requests it. The cost to be deducted in equal instalments from the employee.

. The Travel Pass Scheme, introduced in Section 33 of the Finance Act 1999, allows an employer to incur the expense of providing an employee with a 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 agrees 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.

The Staff Side sought the introduction of such a scheme in the civil service to cover employees who would purchase monthly or annual travel passes.

2. Consultations were held and a number of technical and scheduling issues were addressed including those raised by Departments, viz. the administrative implications of introducing the scheme at more or less the same time as the euro and the new payroll system (Corepay). On 25 October 2001 the Revenue Commissioners approved the scheme.

3. The Official Side said that they saw positive features about the scheme envisaged by the claim, including:

- The Travel Pass Scheme, by stimulating greater use of public transport by civil servants, would support Government policy on public transport and the environment;
- The tax exemption granted under the scheme would benefit civil service workers financially.

4. The Staff Side asked for the provision of monthly, as well as annual travel passes. It was agreed that this would not be feasible for administrative reasons in the first year and also because of Revenue rules governing the scheme, which required staff to sacrifice or forego salary on an annual basis.

5. An important issue for the Staff Side was the implications of the reduction in pay implicit in the scheme for pay and superannuation purposes, and overtime and other allowances normally calculated as a percentage of basic pay. The Official Side said that the arrangements, which had been agreed with the Revenue Commissioners, provided that pay for purposes of superannuation (both benefits and contributions) would be the gross amount (i.e. would not be reduced by the amount of the salary foregone in lieu of the Travel Pass), and that the same arrangements would apply to overtime and other allowances normally calculated as a percentage of basic pay.

6. A condition of the scheme was that the Staff Side accepts that the Travel Pass will not, in any circumstances, result in the submission of claims on behalf of staff who do not, or who cannot, avail of public transport.

7. Following further discussion, it was agreed to recommend the introduction of a scheme covering annual travel passes on the lines set out in the attached circular. It was also agreed that Departments would be asked to introduce the scheme at the earliest opportunity but in any event not later than January 2002.

8. It was agreed to draw up a report recording agreement on the claim.

9. This report was adopted on 31 October 2001.

Recording Agreement.

This report was adopted on 31 October 2001