To the Management Authorities of Primary, Secondary, Community and Comprehensive Schools

Cycle to Work Scheme

1 INTRODUCTION

The Minister for Education and Skills wishes to inform management authorities of Primary, Secondary, Community and Comprehensive Schools of the terms and conditions for the Cycle to Work Scheme. The scheme applies to teachers, special needs assistants, clerical officers, caretakers and child care workers paid on payrolls operated by the Department of Education and Skills as paymaster.

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 people paid solely through the On Line Claims System (OLCS), for example: casual or non casual employees, substitute employees covering maternity leave, parental leave, sick leave, etc., to avail of the scheme.

Legislation was introduced in the Finance (No. 2) Act 2008 which allows an employer to incur the expense of providing an employee with a new bicycle without the employee being liable for benefit-in-kind taxation. The Legislation also permits the benefit-in-kind tax exemption to 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 new bicycle and/or bicycle safety equipment by the employer. The total cost of the bicycle and/or bicycle safety equipment as stated on the invoice from the supplier will be deducted from salary and the employee will not pay tax, PRSI, Universal Social Charge or Pension Related Deduction on the remuneration sacrificed.

The scheme allows an employer to purchase a new bicycle and/or bicycle safety equipment up to a maximum value of €1,000 once every 5 years on behalf of an employee.

A guidance note on the scheme including a series of Questions and Answers provided by the Revenue Commissioners can be found at: http://www.revenue.ie/en/tax/it/leaflets/benefit-in-kind/faqs/cycle-work.html

The scheme applies only to new bicycles and bicycle safety equipment purchased from approved suppliers. A list of suppliers and further information on the cycle to work scheme is available on the Office of Government Procurement web site: http://www.procurement.ie/suppliers/contracts/1939

For the purpose of the Cycle to Work 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

---

1 The scheme also applies to safety equipment relating to cycling.
reference to employee relates to the individual primary or post primary teacher, special needs assistant, clerical officer, caretaker or child care worker.

2 REQUIREMENTS OF THE SCHEME

Salary sacrifice by an employee in respect of the bicycle will be acceptable to the Revenue Commissioners as being effective for tax purposes under the following conditions:

1. 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.
2. The alteration must not be retrospective and must be evidenced in writing.
3. There must be no entitlement to exchange the benefit for cash;
4. The choice exercised (i.e. benefit instead of cash) cannot be made more frequently than once in a five-year period
5. 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.

3 APPLICATION FOR THE SCHEME

Individuals wishing to avail of the Cycle to Work Scheme are required to:

1. Read and agree to the conditions governing the scheme (Appendix 1).
2. Complete an Application Form (Appendix 2) which outlines the bicycle and/or bicycle safety equipment to be purchased.
3. Sign the Salary Deduction Authorisation Form (Appendix 3) which sets out the salary sacrifice for the items requested, i.e. the total cost of the bicycle and/or bicycle safety equipment as stated on the invoice.

Completed applications must be forwarded to the appropriate Payroll Section in the Department of Education and Skills, Cornamaddy, Athlone, Co. Westmeath. Incomplete forms will be returned to the employee. Applications for the scheme must be made on the forms attached to this circular.

Applications may be submitted to the Department at any time during the year.

These forms can be downloaded directly from this Department’s website, http://www.education.ie/en/Education-Staff/Services/Payroll-Financial/Cycle-to-Work/Cycle-to-Work-Scheme.html

The application must be completed in conjunction with the supplier. It will contain information on the new bicycle/cycle safety equipment supplied and the details of the supplier. The supplier must attach the relevant invoice. The supplier must also accept that the payment from the Department will be made by Electronic Funds Transfer (EFT) only.

Where the approved supplier is outside the Republic of Ireland, a bicycle purchased by the employer from a VAT-registered supplier in another EU Member State will be treated as an Intra-Community Acquisition for VAT purposes. The supplier should be given the employer's VAT number (available on request at the contact details set out in paragraph 6) and should not charge any VAT on the purchase. Further details can be found at: http://www.procurement.ie/suppliers/contracts/1939
4. **SALARY DEDUCTION**

The Salary Deduction Authorisation Form sets out the salary sacrifice for the items requested. The following criteria should be noted regarding the deductions from salary:

1. Salary deductions will commence from salary on the earliest possible salary payment date following receipt of the application form.
2. All salary deductions must be completed by the last payroll in October of the calendar year in which they commence.
3. An employee may opt to complete the salary deductions over a shorter period.
4. In the case of applicants employed under a fixed term or regular part time contract, the deduction arrangements must be completed by the last pay day in August of the calendar year which they commence.
5. When an employee is scheduled to come off the payroll on a date before October/August of the year they apply for the scheme, the entire salary sacrifice must be recovered by their last salary payment.
6. In the exceptional event that the approved supplier is outside the Republic of Ireland, a bicycle purchased by the employer from a VAT-registered supplier in another EU Member State will be treated as an Intra-Community Acquisition for VAT purposes. In those circumstances the payroll section must be contacted at the details provided at paragraph 6 below before entering the salary sacrifice amount on the Salary Deduction Authorisation Form. For further details refer to Section 3 above of this Circular and the Office of Government Procurement web site: [http://www.procurement.ie/suppliers/contracts/1939](http://www.procurement.ie/suppliers/contracts/1939)

Once the salary deduction arrangements have been put in place, payment will issue to the supplier and the bicycle / cycle safety equipment may be collected from the supplier. The employee will be notified in writing when the deductions will commence.

5. **DISSEMINATION OF INFORMATION**

Management authorities are requested to bring the contents of this Circular to the attention of all teachers, special needs assistants, clerical officers, caretakers and child care workers in their schools paid on payrolls operated by the Department of Education and Skills as paymaster. This circular can be accessed on the Department of Education and Skills web page: [http://www.education.ie/en/Education-Staff/Services/Payroll-Financial/Cycle-to-Work/Cycle-to-Work-Scheme.html](http://www.education.ie/en/Education-Staff/Services/Payroll-Financial/Cycle-to-Work/Cycle-to-Work-Scheme.html)

6. **QUERIES**

Queries regarding the operation of the scheme for Primary Teachers should be emailed to primtch_payroll@education.gov.ie

Queries regarding the operation of the scheme for Post Primary Teachers should be emailed to ppppayroll@education.gov.ie

Queries regarding the operation of the scheme for SNAs, Clerical Officers, Caretakers and Child Care Workers paid on payrolls operated by the Department should be emailed to NTSPayroll@education.gov.ie

P. Maloney.
Principal Officer.

October 2017
1. The employee must sacrifice or forego part of his/her annual basic salary in lieu of the provision of new bicycle/cycle safety equipment by the Department. The total cost of the bicycle and/or bicycle safety equipment as stated on the invoice from the supplier will be deducted from salary and the employee will not pay tax, PRSI, Universal Social Charge or Pension Related Deduction on the remuneration sacrificed. This arrangement will operate until the salary sacrifice has been recouped in full and this will be reflected in his/her pay slips over that period.

2. The new bicycle/cycle safety equipment acquired under the scheme must be used primarily for the purpose of transport to or from work and/or traveling between work places.

3. When purchasing a new bicycle, the employee must be aware that the National Safety Authority of Ireland implements on behalf of the European Commission certain bicycle safety standards. Bicycles that comply with such standards are presumed to comply with the EU General Product Safety Directive 2001/96/EC which lays down an obligation on producers to place safe products on the market. The relevant standards are;
   a. I.S. EN14764:2006 - city and trekking bikes,
   b. I.S. EN14766:2006 – mountain bikes,
   d. More information on these matters can be accessed at http://www.nsai.ie

4. The employee will not be able to cease his or her participation in the scheme prior to the expiry of the salary sacrifice arrangement, except in cases of termination of employment. Where employment is terminated before the expiration of the salary sacrifice arrangement, the employee must pay the balance due to the Department of Education and Skills, which may be deducted from any outstanding payment due in termination of the employment. Where this is not possible, it will be then necessary for the Department of Education and Skills to recover the balance due from the employee under the terms of Circular 84/2015 Policy and Procedures for dealing with Overpayment of Salary/Allowances.

5. The scheme only allows an employee to participate in the scheme once in a 5 year period. Employees should note that if they avail of the cycle to work scheme to purchase bicycles and/or safety equipment for an amount less than €1,000, they will not be able to avail of the scheme again for five years.

6. In the unfortunate event that a bicycle purchased under terms of the scheme is stolen, a replacement bicycle may not be purchased under the scheme within a 5 year period of the original purchase. The legislation only allows an individual to make one purchase of a bicycle under the scheme in a 5-year period irrespective of whether the bicycle was used for the full period or not.

7. The scheme applies only to new bicycle/cycle safety equipment purchased from approved providers. A full list of providers is available from the Office of Government Procurement web site: http://www.procurement.ie/suppliers/contracts/1939

8. The payment for the bicycle / cycle safety equipment will be made to the supplier by the Department. It will be a requirement of the scheme for participating suppliers that all warranties relating to the bicycle/bicycle safety equipment will be for the benefit of the employee and all issues arising in relation to the warranties will remain between the employee and the supplier.
9. The employee acknowledges that the Department of Education and Skills is not responsible or liable for the security, disposal, maintenance, repair and use of the bicycle or bicycle safety equipment.

10. The Department of Education and Skills accepts no responsibility for misuse of bicycles or equipment by the employees and asserts that bicycles and bicycle safety equipment acquired by virtue of the scheme are strictly non-transferable.

11. The employee will not be able to cancel his or her participation in the scheme once payment has issued to the supplier.
Cycle to Work Scheme
Application Form

To:  Cycle to Work Scheme
     Payroll Division
     Department of Education and Skills,
     Athlone, Co. Westmeath

Please clearly mark envelope ”Cycle to Work Scheme” and “Primary Payroll”, “Post Primary Payroll” or “Non Teaching Staff Payroll” as appropriate.

Please circle as appropriate:

Current post:  Teacher  or  Non Teaching Staff
Sector:  Primary  or  Post Primary

1  Employee Personnel Details

Name:  (as on pay slip) ________________________________________________

Home Address  ______________________________________________________

________________________  _____________________________

Contact Telephone No.________  School roll number______________

PPS No.: (as on pay slip)

________________________  _____________________________

Payroll No.: (as on pay slip)

________________________  _____________________________

2  Supplier details  (THIS SECTION SHOULD BE COMPLETED BY THE SUPPLIER)

Supplier Name __________________________  VAT Number ______________

2.1  Supplier’s Bank details for EFT Payment:

Supplier's Bank Account No.  ________________
Supplier's Bank Sort Code  ________________
Supplier's Bank Account IBAN  ________________
Supplier’s Bank Account BIC / SWIFT  ________________

Bank Name & Address  __________________________

Please ensure that the bank account is within the Republic of Ireland and will support the Electronic Money Transfer System.
**Details of Bicycle /Cycle Equipment Ordered**

**Invoice Number _________________________**

<table>
<thead>
<tr>
<th>Goods</th>
<th>Description</th>
<th>Price inclusive of VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cycle helmet conforming to European standard EN1078</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bells and bulb horn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lights including dynamo packs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mirrors and mudguards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cycle clips and dress guards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panniers, luggage carriers and straps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locks and chains</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pumps, puncture repair kits, cycle tool kits and tyre sealant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reflective clothing along with white front reflectors and spoke reflectors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

*Attach Invoice For Bicycle /Cycle Equipment of Total Ordered.*
I hereby authorise a salary sacrifice of €_____________ (Please enter the total amount as stated on the invoice, maximum €1,000) of my annual basic salary in lieu of the provision of new bicycle/cycle safety equipment by the Department of Education and Skills.

1. The Department of Education and Skills must recoup the full amount by the end of October within the calendar year in which you apply.
2. Salary deductions will commence from salary on the earliest possible salary payment date following receipt of the application form.
3. In the case of applicants employed under a fixed term or regular part time contract, the deduction arrangements must be completed by the last pay day in August of the calendar year.
4. Applications received between September and October, must be recouped by the last pay day in October of the calendar year.
5. An employee may opt to complete the salary deductions over a shorter period
6. When an employee is scheduled to come off the payroll on a date before October of the year they apply for the scheme, the entire salary sacrifice must be recovered by their last payment.
7. I realise that this arrangement will operate until the salary sacrifice has been recouped under the terms above and that the deductions will be paid within the current tax year which will be reflected in my pay slips over one of the periods below, please indicate your selected deduction period;

<table>
<thead>
<tr>
<th></th>
<th>Start date to October (deductions must be completed by the last pay day in October) See 1 &amp; 2 above</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Start date to August (fixed term or regular part time contracts) See 2 &amp; 3 above</td>
</tr>
<tr>
<td>2</td>
<td>September to October (deductions must be completed by the last pay day in October) See 2 &amp; 4 above</td>
</tr>
<tr>
<td>3</td>
<td>Once off deduction (full recoupment in one fortnightly pay day) See 5 above</td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

I certify that the bicycle / cycle safety equipment supplied under this scheme is for my personal use and will be used primarily for qualifying journeys, i.e. journeys to or from work and/or between places of work and that such use is subject to any rules or conditions that are in force concerning the operation and use of the equipment.

I understand that I should use the bicycle in line with all rules and regulations as set out by the Road Safety Authority (RSA) and make use of proper cycle safety equipment at all times.²

I have read and I agree to the Cycle-to–Work Scheme conditions as outlined in circular 0066/2017

I certify that I have entered into an agreement with the supplier named in the invoice that they will supply me with the bicycle / cycle safety equipment as per the invoice submitted.

Where the supplier’s bank account is not based in the Republic of Ireland there may be an additional nominal fee to facilitate the payment to the supplier by the Electronic Money Transfer System, which will be included in the salary sacrifice figure.

<table>
<thead>
<tr>
<th>NAME</th>
<th>PPSN</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLOCK CAPITALS PLEASE</td>
<td></td>
</tr>
</tbody>
</table>

Signed: ___________________________ Date: ___________________________

² Please see RSA web site [http://www.rulesoftheroad.ie/](http://www.rulesoftheroad.ie/)
Data Protection

The Department of Education and Skills will treat all personal data you provide on this form as confidential and will use it solely for the purpose intended. The information will only be disclosed as permitted by law or for the purposes listed in the Departments registration with the Data Protection Commissioner - REF 10764/A

If the information you have provided is to be used for purposes other than outlined in the Departments registration with the DPC your permission will be sought.