



Circular Letter 0062/2011

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

Travel Pass Scheme for 2012 (Tax Saver Commuter Tickets)

1 Introduction

The Minister for Education and Skills wishes to inform management authorities of Primary, Secondary, Community and Comprehensive Schools of the availability of the Travel Pass Scheme for the 2012 Tax Year. The scheme will apply 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.

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 2012 scheme

The 2012 scheme will become operational on 1 January 2012.

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.
- 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

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 (Appendix 1) 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 (Appendix 2).

These forms can be downloaded directly from this Department's website www.education.ie, completed and forwarded to the address provided.

On receipt of 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.

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

An Irish Rail photo I.D. can be obtained by submitting a digital photograph on a C.D with your application form.

A Luas photo I.D. is available free of charge from Veolia Transport. It is only valid when signed and with a photograph affixed.

A C.I.E. Photo Identity Card is free to tax saver customers and is available from Dublin Bus, 59 Upper O'Connell Street, Dublin 1. Your photo will be taken when you call to the office. Alternatively the CIÉ Photo ID is available at the main Railway Stations.

Further details on ID requirements are available at <http://www.taxsaver.ie/Commuters/ID-Requirements/>

6 Closing date for receipt of applications

The closing date for receipt of applications is Friday 11th November 2011.

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

7 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: www.education.ie .

8 Queries

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

Primary teachers please email primtch_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.**

September 2011

Annual Ticket Choice

Prices below are as quoted from the Service Providers on August 2011

Please indicate your choice by ticking the relevant box provided.

- | | | |
|---|-------------------------|--------------------------|
| A. Annual Bus Travelwide
Offers unlimited travel for one year on all Dublin Bus services including Nitelink and Airlink (Ferry services and Tours excluded). | <u>€1,000.00</u> | <input type="checkbox"/> |
| B. Annual Commuter Rail & DART
Unlimited travel on all DART, and Commuter Rail services between Maynooth, Balbriggan, Kilcoole and Hazelhatch. | <u>€1,060.00</u> | <input type="checkbox"/> |
| C. Annual Dublin Bus & Luas | <u>€1180.00</u> | <input type="checkbox"/> |
| D. Annual Short Hop Commuter Rail, DART & Dublin Bus
Unlimited travel on all DART, Commuter Rail services between Maynooth, Balbriggan, Kilcoole and Hazelhatch and Dublin Bus scheduled services. | <u>€1230.00</u> | <input type="checkbox"/> |
| E. Annual Commuter Rail & DART + Feeder Services NEW
Unlimited travel on all DART, and Commuter Rail services between Maynooth, Balbriggan, Kilcoole and Hazelhatch plus feeder bus services 90/92 and Luas between Heuston and Connolly station. | <u>€1300.00</u> | <input type="checkbox"/> |
| F. Annual Commuter Rail, DART & LUAS
Unlimited travel on all DART, Commuter Rail services between Maynooth, Balbriggan, Kilcoole and Hazelhatch and LUAS Red/Green lines. | <u>1470.00</u> | <input type="checkbox"/> |
| G. Annual Commuter Rail, DART, Dublin Bus & LUAS
Unlimited travel on all DART, Commuter Rail services between Maynooth, Balbriggan, Kilcoole and Hazelhatch and LUAS Red/Green lines and Dublin Busscheduled services. | <u>€1800.00</u> | <input type="checkbox"/> |
| H. Annual Cork City Bus Éireann Ticket | <u>€682.00</u> | <input type="checkbox"/> |
| I. Annual Cork City and Suburban Bus Éireann Ticket | <u>€847.00</u> | <input type="checkbox"/> |
| J. Annual Galway City Bus Éireann Ticket | <u>€605.00</u> | <input type="checkbox"/> |
| K. Annual Limerick City Bus Éireann Ticket | <u>€605.00</u> | <input type="checkbox"/> |
| L. Annual Waterford City Bus Éireann Ticket | <u>€605.00</u> | <input type="checkbox"/> |
| M. Iarnród Éireann Rail Point-to Point Annual Ticket | | <input type="checkbox"/> |

From: _____ To: _____ Amount: _____
 (Please specify stations - Price will depend on the point to point travel involved)

Do you require Bus/Luas connection from Heuston Station to City Centre? **Yes/No**
 (A supplement of €240 per annum applies for the Bus Route 90/145 and Luas connections between Heuston Station and the city centre. Amount: _____

Total: _____

N. Iarnród Éireann (Irish Rail) All Services **€3500.00**
This annual ticket offers unlimited travel on all scheduled rail services throughout the Republic of Ireland.

O. Iarnrod Eireann (Irish Rail) & Dublin Bus All Services **€3800.00**
This annual ticket offers unlimited travel on all scheduled rail services throughout the Republic of Ireland and all Dublin Bus services, but does not cover ferry services and tours.

P. Iarnrod Eireann (Irish Rail) & Bus Eireann All Services **€3900.00**
This annual ticket offers unlimited travel on all scheduled rail and Bus Eireann services throughout the Republic of Ireland.

Q. Iarnród Éireann (Irish Rail) & Luas All Services **€4100.00**
This annual ticket offers unlimited travel on all scheduled rail services throughout the Republic of Ireland and Luas red and green lines

R. CIE All Services (Irish Rail, Dublin Bus & Bus Eireann) **€4600.00**
This annual ticket offers unlimited travel on all scheduled rail and Bus Eireann services throughout the Republic of Ireland and all Dublin Bus services, but does not cover ferry services and tours.

S. Bus Éireann Point to Point Annual Ticket
From: _____ To: _____ Amount: _____
(Please specify locations - Price will depend on the point to point travel involved)

T. Luas Only (please select 1 to 6 and write your chosen option in the box)

- | | | |
|----|---|---------|
| 1) | Green Line Annual Brides Glen to St Stephen's Green | €800.00 |
| 2) | Red Line Annual Tallaght or Saggart to The Point | €800.00 |
| 3) | Green 3 to Central 1 Annual Sandyford to St.Stephen's Green | €710.00 |
| 4) | Red 3 to Central 1 Annual Red Cow to Connolly/ Busarus/ George's Dock | €670.00 |
| 5) | Red 4 to Red 2 Annual Tallaght or Saggart to Heuston | €670.00 |
| 6) | All Zones Annual Including Docklands | €840.00 |

U. Other Annual Pass issued by an Approved Transport Provider
Name of provider: _____
(approved transport provider)

From: _____ To: _____ Amount: _____
(Please specify locations - Price will depend on the point to point travel involved)

The closing date for receipt of applications is Friday 11th November 2011.

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

Appendix 2

**Travel Pass Scheme
Authorisation Form**

In respect of Option _____ above, I wish to sacrifice or forego the charge in respect of the cost of the above option from my annual salary in lieu of the provision of this annual travel pass from the Department of Education and Skills. I realise that this arrangement will operate for a period of one year and that the salary sacrifice will be reflected in my pay slips over that period. I hereby undertake that in the event of my resigning, taking a career break or not being in a position to have a full 12 months deductions withheld from my salary that I agree to reimburse the Department of Education and Skills the full difference between the cost of my Travel Pass and the amount of deductions already made.

I have read and I agree to the conditions overleaf.

NAME _____

BLOCK CAPITALS PLEASE

PPS No.: *(as on payslip)*

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Signed: _____

Date: _____

Official Use Only

Ticket No. Issued: _____

Travel Pass ID Number: _____

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.

Travel Pass Scheme: 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. However, if an employee avails of unpaid leave of absence, or ceases employment 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 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, and 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)

4. **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.**
5. 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.
6. 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.
7. 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.
8. The scheme applies only to annual bus and rail passes issued by Iarnród Éireann, Bus Éireann, Dublin Bus, Luas, Connex and other approved transport providers. The Department of Transport will advise on approved transport providers.
9. The salary sacrifice will have no impact on pension contributions or on pension benefits, in accordance with the rules of the relevant superannuation scheme.
10. The salary sacrifice will have no impact on allowances normally calculated as a percentage of basic pay.
11. 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.

12. The Revenue Commissioners' published article on the benefit-in-kind tax exempt Travel Pass Scheme is available for reference from the Department of Finance.
13. The travel pass is issued to the applicant by registered post and the address supplied on the application form should be the address where the applicant will be, in order to accept delivery. A school address should not be used for this purpose.