



Circular 0027/2024

To: The Chief Executives of Education and Training Boards

Cycle to Work Scheme for ETB Employees

1. INTRODUCTION

The Minister for Education wishes to bring to the attention of Chief Executives, the terms and conditions of the cycle to work scheme that are applicable from the 1st January 2023. The scheme applies to all staff employed by ETBs who are employed in a Permanent, Contract of Indefinite Duration (C.I.D), fixed term, or Regular Part Time capacity at the date of application and who otherwise meet the terms and conditions of the scheme.

The cycle to work scheme applies to expenditure incurred by an employer on or after 1st January 2009, for the provision of a bicycle and/or bicycle safety equipment to an employee, where certain qualifying conditions are met.

The scheme provides that a charge to tax will not arise on the provision of a bicycle and/or safety equipment to the employee. In addition, employer's PRSI is not payable on the cost of the bicycle and/or safety equipment.

The exemption applies to expenditure up to the relevant spending threshold only.

Prior to 1 August 2020 there was one exemption limit irrespective of the type of bicycle purchased.

Section 9 of the Financial Provisions (Covid-19) (No. 2) Act 2020 provided for increases to the allowable expenditure under the cycle to work scheme.

For new bicycle purchases on or after 1st August 2020 up to 31st December 2022, there were two exemption limits, depending on the type of bicycle purchased.

From 1st January 2023, there are three exemption limits, with a higher threshold applying for cargo and e-cargo bikes.

Limits from 1 January 2023



From 1st January 2023, the exemption applies to the first €1,250 expenditure incurred by an employer in connection with the provision of a bicycle and/or bicycle safety equipment in respect of any one employee.

A limit of €1,500 applies in the case of the provision of an electric bike (which may also include bicycle safety equipment).

A higher limit of €3,000 applies the bicycle provided it is a cargo or an e-cargo bike and related safety equipment.

An employee can only avail of the exemption once in any 4-year period commencing with the date the employee is first provided with a bicycle or bicycle safety equipment.

Limits from 1 August 2020 to 31 December 2022

Between 1st August 2020 and 31st December 2022, the exemption applied to the first €1,250 expenditure incurred by an employer in connection with the provision of a bicycle and/or bicycle safety equipment in respect of any one employee;

A higher exemption limit of €1,500 applied in the case of the provision of an electric bike (which may also include bicycle safety equipment).

An employee could only avail of the exemption once in any 4-year period (previously 5 years), commencing with the date the employee is first provided with a bicycle or bicycle safety equipment.

An employer may incur expenditure in excess of the above limits. This does not preclude the employee from availing of the exemption. However any expenditure in excess of the relevant threshold will be chargeable to tax and PAYE, PRSI and USC must be operated on same.

Limit prior to 1st August, 2020

Prior to 1st August 2020 a single limit applied to both bicycles and pedelecs (electrically assisted bicycles which require some effort from the cyclist) of the first €1,000 expenditure incurred by an employer. The exemption could only be availed of once in any 5-year period.

If an individual availed of the scheme within the four-year period prior to 1st August 2020, he or she cannot immediately avail of the uplift in the scheme limits. The individual will be able to avail of the increased limits once the four year period has expired.



Purchase of bicycle or electric bike/safety equipment

The employer must purchase the bicycle or electric bike and/or safety equipment. The exemption does not apply where an employee purchases a bicycle or electric bike and/or bicycle safety equipment and gets reimbursed by his or her employer.

Delivery charges

If an employer incurs delivery charges in respect of the bicycle or electric bike and/or safety equipment, these charges are covered by the exemption, provided the maximum value of the benefit, including delivery charges, does not exceed the relevant threshold set out above.

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: <https://ogp.gov.ie/wp-content/uploads/17-08-2020-Bicycle-Suppliers.pdf>;

Qualifying Journeys

The bicycle must be used mainly for qualifying journeys, that is, the whole or part of a journey between the employee's home and normal place of work, or between his or her normal place of work and another place of work. Home-based employees can avail of the scheme if the bicycle is used for work-related journeys, such as trips to the post office or to collect office supplies.

Further Information

This circular is not intended to be a comprehensive description or legal interpretation of the cycle to work scheme and should be read in conjunction with the more detailed guidance note on the scheme (which including a series of Questions and Answers) provided by the Revenue Commissioners. This guidance note can be found at: <https://www.revenue.ie/en/tax-professionals/tm/income-tax-capital-gains-tax-corporation-tax/part-05/05-01-01g.pdf>



2. SALARY SACRIFICE 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:

- 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 (i.e. benefit instead of cash) cannot be made more frequently than once in a four-year period
- 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:

- Read and agree to the conditions governing the scheme (Appendix 3).
- Complete an Application Form (Appendix 1) which outlines the **bicycle/electric bike and/or bicycle safety equipment** to be purchased.
- Sign the Salary Deduction Authorisation Form (Appendix 2 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

Applications may be submitted to the administration office in the appropriate ETB at any time during the year.

The Department recommends that, if possible, the forms be made available to staff on each ETB's website.

The application must be completed in conjunction with the supplier. It will contain information on the new bicycle/electric bike and/or 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 ETB will be made by Electronic Funds Transfer (EFT) only.

Where the approved supplier is outside the Republic of Ireland, a bicycle/electric bike 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, which is available on request from the ETB.

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:

- Salary deductions will commence from salary on the earliest possible salary payment date following receipt of the application form.
- All salary deductions must be completed by the last payroll in November of the calendar year in which they commence.
- An employee may opt to complete the salary deductions over a shorter period.
- When an employee is scheduled to come off the payroll on a date before November of the year they apply for the scheme, the entire salary sacrifice must be recovered by their last salary payment.
- 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 of the ETB must be contacted below before entering the salary sacrifice amount on the Salary Deduction Authorisation Form.

Once the salary deduction arrangements have been put in place, the bicycle or electric bike/cycle safety equipment may be collected from the supplier. The employee should be notified in writing when the deductions will commence.

5. DISSEMINATION OF INFORMATION

You are requested to bring the contents of this Circular to the attention of all staff in your ETB.

6. QUERIES

Queries regarding the operation of this scheme should be directed by email in the first instance to the appropriate ETB. Further guidance/clarification can be sought by e-mail to the ETB Financial and Administrative Personnel Unit at: financialetb@education.gov.ie

Teresa McNeill Principal Officer.
ETB Financial and Administrative Personnel Unit
March 2024



Appendix 1

**Cycle to Work Scheme
Application Form**

To: Cycle to Work Scheme
Enter ETB address

Please clearly mark envelope “Cycle to Work Scheme”

Please circle as appropriate:

Current post: Teacher or Non-teaching staff

1 Employee Personnel Details

Name: *(as on payslip)*

Home Address

Contact Telephone No. _____ School roll number _____

PPS No.: *(as on payslip)*

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Payroll No.: *(as on payslip)*

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2 Supplier details

Supplier Name _____ VAT Number _____

Supplier’s Bank details for EFT Payment:

IBAN

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Bank Name & Address _____

Please ensure that the IBAN is within the Republic of Ireland and will support the Electronic Money Transfer System.



3 Details of Bicycle /Cycle Equipment Ordered

Goods	Description	Price inclusive of VAT
Bicycle/Tricycles		
Pedelec (bicycle or tricycle which is equipped with an electric motor with a maximum continuous rated power of 0.25 kilowatts)		
Cycle helmet conforming to European standard EN1078		
Bells and bulb horn		
Lights including dynamo packs		
Mirrors and mudguards		
Cycle clips and dress guards		
Panniers, luggage carriers and straps		
Locks and chains		
Pumps, puncture repair kits, cycle tool kits and tyre sealant		
Reflective clothing along with white front reflectors and spoke reflectors		
<u>Total</u>		

The benefit-in-kind exemption does not apply to motorbikes, scooters or mopeds.

Attach Invoice For Bicycle /Cycle Equipment of Total Ordered.



Appendix 2

Cycle to Work Scheme Salary Deduction Authorisation Form

I hereby authorise a salary sacrifice of €_____ as per invoice of my annual basic salary in lieu of the provision of new bicycle or electric bike/cycle safety equipment by (Name of ETB) _____. I realise that this arrangement will operate until the salary sacrifice has been recouped and that the deductions will be reflected in my pay slips over one of the periods below (please indicate your selected deduction period):

Start date to November	
Start date to August*	
Start date to _____ (please specify)	

* August in the case of applicants employed under a fixed term or regular part time contract due to expire in August.

I declare that the bicycle or electric bike/ 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 or electric bike 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.

I have read and I agree to Cycle-to-Work Scheme conditions and circular 0027/2024.

I certify that I have entered into an agreement with the supplier named in the invoice that they will supply me with the bicycle or electric bike/ 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.



NAME _____
BLOCK CAPITALS PLEASE

PPSN _____

Signed: _____ Date: _____

Data Protection

Name of ETB 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 ETB's 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 ETB's registration with the DPC your permission will be sought.



Appendix 3

Cycle to Work 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 new bicycle or electric bike/cycle safety equipment by the ETB. This arrangement will operate until the salary sacrifice has been recouped and this will be reflected in his/her pay slips over that period.
3. The new bicycle or electric bike/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.
4. When purchasing a new bicycle or electric bike, 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:
I.S. EN14764:2006 - city and trekking bikes,
I.S. EN14766:2006 – mountain bikes,
I.S. EN14781:2006 – racing bicycles.
More information on these matters can be accessed at <http://www.nsai.ie>
5. 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 ETB, which may be deducted from any outstanding payment due in termination of the employment. Where this is not possible, it may be then necessary for the ETB to recover the balance due from the employee.
6. Participation in the scheme will be limited to once in each four-year period. Accordingly any person who availed of the scheme in 2021 under the terms of Circular 0055/2020 cannot re-apply again until 2025.
7. The scheme applies only to new bicycle or an electric bike/cycle safety equipment purchased from approved providers. A full list of providers is



available from the OPW website: <https://ogp.gov.ie/wp-content/uploads/17-08-2020-Bicycle-Suppliers.pdf>;

8. The payment for the bicycle or electric bike / cycle safety equipment will be made to the supplier by the ETB. It will be a requirement of the scheme for participating suppliers that all warranties relating to the bicycle or electric bike/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 ETB is not responsible or liable for the security, disposal, maintenance, repair and use of the bicycle or electric bike and/or bicycle safety equipment.
10. The ETB accepts no responsibility for misuse of bicycles or electric bikes or equipment by the employees and asserts that bicycles or electric bikes and bicycle safety equipment acquired by virtue of the scheme are strictly non-transferable.