



**Oifig an Stiúrthóra Náisiúnta, Acmhainní Daonna**

Feidhmeannacht na Seirbhísí Sláinte

Ospidéal Dr. Steevens'

Baile Átha Cliath 8

**Office of the National Director of Human Resources**

Health Service Executive

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**To:**

- Chief Executive Officer**
- Each National Director**
- Each Assistant National Director HR**
- Each Assistant Chief Finance Officer**
- Each Hospital Group CEO**
- Each Hospital Group Director of HR**
- Each Chief Officer CHOs**
- Each Head of HR CHOs**
- Head of HR, PCRS**
- Each Employee Relations Manager**
- Each Group Director of Nursing & Midwifery**
- Each Group Director of Midwifery**
- Each Clinical Director**
- Director National Ambulance Service**

**From:** Anne Marie Hoey, National Director of Human Resources

**Date:** 04<sup>th</sup> September 2020

**Re:** HR Circular 058/2020 Cycle to Work Scheme

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Dear Colleagues,

I refer to [HSE HR Circular 002/2010](#) which gave effect to the Government's Cycle to Work Scheme in the HSE. The Scheme, which was introduced to encourage employees to cycle to work for environmental and health reasons, permits employers to purchase bicycles and safety equipment up to certain financial limits for its employees without the employee being liable for benefit-in-kind taxation. This circular encompasses revised elements to the Scheme and supersedes HSE HR Circular 002/2010.

Employees approved under the Scheme agree to deductions from their salary ('salary sacrifice') over a period of up to twelve months to cover the costs associated with the purchase of the bicycle. In these circumstances, the employee's gross pay is reduced by the agreed repayment costs for the bicycle and these costs are not liable for tax, PRSI, Universal Social Charge, or Additional Superannuation Contribution.

### **Expenditure Limits**

From 1 August 2020, revised limits have been introduced for the Cycle to Work Scheme through Section 9 of the Financial Provisions (Covid-19) (No. 2) Act 2020. Under the 2020 revised scheme, the limit on allowable expenditure is increased from €1,000 to €1,500 in respect of electric bicycles and related safety equipment and €1,250 in respect of other bicycles and related safety equipment.

An additional change to the Scheme from the 1 August 2020 is that the tax exemption can now be availed of once in any four year period, commencing with the date on which the employee is first provided with the bicycle and bicycle safety equipment, rather than once in a five year period as previously applied. Through the application procedures, all employees are required to sign a statement that they have not availed of the Scheme in the last four years in any organisation/previous employment.

Employees can only apply once within the four year period and have the tax exemption applied even where the cost of the bicycle and related equipment is below the permissible limits.

### **Qualifying journeys**

In order to be eligible under the Scheme, the bicycle/safety equipment must be used by the employee mainly for qualifying journeys. Qualifying journeys means the whole or part (e.g. between home and train station) 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.

In order to avail of the Scheme, the employee will be obliged to sign a statement confirming that the bicycle is for his/her own use and will be used mainly for qualifying journeys.

### **Qualifying bicycles and equipment**

Only new bicycles and equipment are covered for tax exemption under the Scheme. The bicycles covered include pedal cycles, tricycles and pedelecs (an electrically assisted bicycle that requires some effort from the cyclist).

Motorbikes, scooters, mopeds and bicycle parts are not covered under the Scheme.

The following items are all qualifying bicycle safety equipment:

- cycle helmets which conform to European standard EN 1078,
- bells and bulb horns,
- lights, including dynamo packs,
- mirrors and mudguards to ensure riders visibility is not impaired,
- cycle clips and dress guards,
- panniers, luggage carriers and straps to allow luggage to be safely carried,
- locks and chains to ensure bicycle can be safely secured,
- pumps, puncture repair kits, cycle tool kits and tyre sealant to allow for minor repairs,
- reflective clothing along with white front reflectors and spoke reflectors.

As public sector employers, the HSE and Section 38 organisations are obliged to purchase the bicycle and safety equipment from the list of available suppliers provided by the Officer for Public Works (this list can be viewed [here](#)). The Scheme does not apply where an employee purchases the items.

All bicycles and safety equipment must be purchased at the same time from one supplier.

### **Salary Sacrifice**

Upon purchase of the bicycle and safety equipment, a salary sacrifice arrangement is put in place with the employee whereby the employee agrees to forego part of his or her salary to cover the costs associated with the purchase of the bicycle and safety equipment. In these circumstances, the employee's gross pay is reduced by the agreed repayment costs for the bicycle and these costs are not liable for tax, PRSI, Universal Social Charge, or Additional Superannuation Contribution.

The salary repayments must be completed over a period of up to 12 months from the date of provision of the bicycle and equipment. All repayments for the Scheme within the HSE must be completed within the calendar year of purchase.

Where an employee who has availed of the Scheme leaves the organisation prior to the completion of the repayment period, any outstanding amount due under the Scheme will be deducted from outstanding sums due to the employee at the time of the termination of their employment. If no sums are due to the employee at termination of employment, the employee will be liable to repay the sums due under the Scheme, and appropriate arrangements will be established to affect this.

## **Application procedures**

HSE employees who wish to participate in the Scheme can access information on the local application procedures through the points of contact across the HSE listed on:

<https://www.hse.ie/eng/staff/benefitsservices/cycle-to-work-scheme/>

Updated information on the Cycle to Work Scheme from the Revenue Commissioners can be found here: <https://www.revenue.ie/en/jobs-and-pensions/taxation-of-employer-benefits/cycle-to-work-scheme.aspx>

Please ensure that this Circular is brought to the attention of all relevant managers including those in HR, Finance and Payroll in your area of responsibility.

## **Queries**

Queries from individual employees or managers regarding these arrangements should be referred to local HR Departments/Employee Relations Departments and to the local contacts listed on the HSE website for the Cycle to Work Scheme.

Queries from HR Departments on the contents of this Circular may be referred to Mary Ruane, HSE Corporate Employee Relations, HR Directorate, 63-64 Adelaide Road, Dublin 2. Tel: 01 6626966, Email: [info.t@hse.ie](mailto:info.t@hse.ie).

Please note that the National HR Help Desk is also available to take queries on 1850 444 925 or email: [ask.hr@hse.ie](mailto:ask.hr@hse.ie)

Yours sincerely



**Anne Marie Hoey**  
**National Director of Human Resources**



“To view the Health Services People Strategy 2019 - 2024 please click [here](#).”

**Need information and advice on COVID-19 Go to [www.hse.ie/coronavirus](http://www.hse.ie/coronavirus)**