

Travel Loan Policy

1.1

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1. Introduction

SHPCA is committed to promoting sustainable travel to reduce the adverse impact of traffic on people, the organisation and the environment.

This document sets out the arrangements and conditions of the interest free Travel to Work loan scheme. This is one of the initiatives being introduced to reduce reliance on motorcars and encourage travel by more sustainable modes of transport.

2. Purpose

An interest free loan, to the value of the employee's monthly net pay (or a maximum of £2,500, whichever is the lower), will be available to all employees on appointments of 3 months duration or more. (Bank staff are not eligible under this scheme as they are not legally seen as employees of SHPCA.)

The loan will be for the employee to purchase an annual bus or annual rail ticket (the Travel Loan cannot be used for tickets of a duration of less than a year) at standard class travel, or to assist with the purchase of a bicycle and associated safety equipment.

3. Conditions

Only one loan may be made at any one time and no further requests for Travel to Work scheme loans will be considered until full repayment of any previous loan has been made.

A photocopy of the receipt for the purchase of a bicycle and any associated safety equipment or for an annual rail season ticket must be forwarded to the Payroll Section, Finance Division within ten days of receipt of the loan

The loan may not be used for any other purpose than that stated above. Failure to comply will be regarded as misconduct and dealt with under the appropriate Disciplinary Policy and Procedures.

SHPCA would make no refunds or replacements for lost or stolen season tickets. Employees are responsible for insurance of the season ticket.

Employees are responsible for paying directly to the rail operator any excess amount due in relation to a rail season ticket above the amount applied for.

Where the loan has been used to purchase a bicycle SHPCA would not be responsible for insurance against loss, theft and personal accident. Employees are responsible for obtaining appropriate insurance against loss, theft and personal insurance.

If the bicycle is sold before the end of the repayment period, the Payroll Section, Finance Division must be notified and the full balance outstanding will be repayable immediately.

In respect of bus and rail tickets - the loan can only be utilised for annual tickets.

4. Application Process

The employee must email a request for a travel loan to the Chief Operating Officer outlining their requirement for a loan, the amount required and detailing how they meet the conditions set out in section 3. Once approved this request will be forwarded by the COO to CSU to be processed in payroll.

When an annual ticket expires, it will be necessary to repeat the application process.

Employees may not reapply for a loan for the purchase of bicycles within five years of the previous application.

5. Payment Process

For all loans, payment will be made with the employee's pay. Applications received by the 1st of each month, and subsequently approved, will be processed in the following month's salary.

6. Repayment of Loan

Repayment of the loan will be by deduction from the employee's monthly pay, commencing one month after the loan is credited. The repayment period will be for no longer than 10 months. For appointments of less than 10 months, the repayment period will be within the appointment period.

If for any reason the employee leaves SHPCA's employment before the total of the loan has been repaid, any outstanding amount will be deducted from the employee's final pay. Where this is not possible, an invoice for the outstanding balance will be raised which will be payable immediately.

In the event that the season ticket or bicycle is lost before the end of the loan period, the outstanding balance will still be deducted from salary.

If the employee embarks on an extended period of unpaid leave during the repayment period, the Payroll Section, Finance Division must be contacted to review the repayment process.

7. Tax and National Insurance Contributions

Whilst interest free, the loans are subject to tax and national insurance contributions in the circumstances outlined below.

The loan is not deemed to be a taxable benefit except where the balance outstanding (of any loans) is more than £10,000. (The Inland Revenue reviews this figure from time to time. Any required changes would then be made to the Travel Loan Policy.)

In the event of failure to repay a loan, the Inland Revenue will be notified. They may treat the whole of the outstanding balance as a taxable benefit and subject the employee to a tax charge at the appropriate rate.