

# INTEREST FREE LOAN FOR ANNUAL SEASON TICKETS FOR TRAVEL AND PARKING

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PROCEDURE SUMMARY
Procedure outlines eligibility for annual season ticket loan, and its subsequent repayment.
The Trust Monitors the implementation of and compliance with this policy in the following ways:
Internal Audit

Services	Applicable	Comments
Trustwide	✓	

**The Director responsible for monitoring and reviewing this procedure is Executive Chief Finance Officer**

**ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST**

**INTEREST FREE LOAN FOR ANNUAL SEASON TICKETS  
FOR TRAVEL AND PARKING**

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**ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST**

**INTEREST FREE LOAN FOR ANNUAL SEASON TICKETS  
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**1.0 INTRODUCTION**

- 1.1 As a benefit to employees, the Trust provides an interest free loan facility for the purchase of an annual season ticket for public transport or car parking for the purposes of attending work.
- 1.2 Loan applications must not exceed £5,000.

**2.0 ELIGIBILITY**

- 2.1 Any permanent employee may apply for a loan to fund the purchase of an annual season ticket in connection with their work.
- 2.2 The employee's monthly net pay must be sufficient to cover the deduction of the monthly loan repayment.
- 2.3 Staff must not have any other pre-existing advances, loans and overpayments outstanding to Essex University NHS Foundation Trust.

**3.0 PURPOSE**

- 3.1 Employees must use the loan for the purchase of an annual public transport season ticket or car parking permit which is used mainly for attending work. The maximum value of the loan is 100% of the cost of the season ticket or permit concerned.
- 3.2 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 Trust's Conduct and Capability procedure.

**4.0 INTEREST**

- 4.1 Interest will be charged at 0%.
- 4.2 The Trust reserves the right to review the interest rate on an annual basis.

**5.0 REPAYMENTS**

- 5.1 Repayments of the loan will be through payroll and repayments will be deducted from net pay in 12 monthly instalments. It should be noted the loan must be repaid within the 12 month period or immediately the employee becomes no longer eligible to benefit from the scheme.

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- 5.2 Any staff expecting to take unpaid leave of greater than one month will be required to inform payroll and make arrangements to repay the balance of the loan.

### **6.0 TERMINATION**

- 6.1 If a member of staff leaves the Trust's employment for any reason during the term of the loan agreement, the outstanding amount shall be repaid by deduction from their final pay and/or the preceding month's pay in those instances where there is likely to be insufficient funds in their final month's pay to fully repay the loan. The staff member is required to inform the payroll department immediately to arrange this.
- 6.2 However, in the event the member of staff is required to TUPE to a new provider due to an organisational change (e.g. loss or transfer of a contract), the Trust shall bear the cost of any unrecovered amount unless a suitable agreement can be reached with the new employer.

### **7.0 APPLICATION PROCESS**

- 7.1 Requests for loans for annual season tickets can be made via the application form (see appendices 1 and 2)
- 7.2 Completed forms must be countersigned by the employee's manager and sent to the Finance Department.
- 7.3 The Trust reserves the right to refuse any application if adequate documentation is not provided with the loan application.
- 7.4 Loans will be issued in the form of a cheque to a recognised transport company or car parking provider responsible for operating the facility. It is your responsibility to ensure you provide the accurate information regarding the payee details to prevent delays in the application process.
- 7.5 The Trust will not be responsible for any parking costs incurred by the employee during the application process, or if the application process has been delayed through incomplete/missing information on the application form.
- 7.6 Employees must provide a copy of the season ticket to the Finance Department as soon it has been purchased and at any time requested by the Trust during the period of the loan.
- 7.7 The Trusts reserves the right to increase costs to the employee should the HMRC tax rules change which would adversely impact upon the Trust.
- 7.8 The Trust reserves the right to withdraw the season ticket loan facility at its discretion.

**END**