



## PUBLIC SERVICE EXECUTIVE UNION

30 Merrion Square,  
Dublin 2.

Phone: + 3531 6767271  
Fax: + 3531 6615777  
www.pseu.ie  
info@pseu.ie

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**B.C.013/17**

9 March 2017

### **New Motor Travel & Subsistence Rates Agreed**

Dear Branch Secretary,

Please find enclosed details of revised motor travel and subsistence rates effective from 1<sup>st</sup> April 2017.

Please bring this to the attention of all members.

Yours sincerely,

*Billy Hannigan*

Billy Hannigan  
Deputy General Secretary

**To: All Branch Secretaries  
Executive Committee  
Standing Orders Committee**

## New Motor Travel & Subsistence Rates Agreed

The Department of Public Expenditure and Reform has yesterday, 8<sup>th</sup> March 2017, issued revised motor travel and subsistence rates for civil servants. Unions and management agreed the new rates following last December's arbitration hearing on a new system to calculate rates for officers required to undertake travel in the course of their duties.

The new rates will apply from 1st April, the first time there has been an increase in the motor travel rates since they were cut by 25% in 2010 (changes to the home subsistence rates were agreed in 2015\*), and the first time the calculating formula has been revised since 2005.

PSEU Deputy General Secretary Billy Hannigan said the revised system takes account of both overhead and running costs of using a car for official purposes. "It also provides a methodology that can be readily updated with new data. The intention is to create a more transparent method for the review of motor travel rates in future," he said. Billy said the parties have agreed that the formula will be locked in for a period of three years.

The new rates also take into account the need to encourage the use of more environmentally efficient vehicles and methods of travel, in keeping with policies to reduce carbon emissions as part of the Government's National Policy on Climate Action. The circular says that this approach will be applied in subsequent revisions of the formula for determining motor travel rates.

The new formula uses four distance bands of motor travel rates (the current formula uses just two bands), and these provide a different rate-per-kilometre based on the overhead costs of running a car. The overhead costs formula takes account of the following:

- *A replacement rate that assumes that an officer's car is replaced every four years*
- *Insurance costs*
- *Car costs calculated with reference to the top 10 best-selling cars*
- *Car tax costs based on the CO2 emissions of the top 10 best-selling cars*
- *Servicing and repair costs based on the figures given in the AA Cost of Motoring report each year*
- *Fuel costs.*

### Bands and Rate per Kilometre

Engine Size		0 – 1200cc	1200 – 1500 cc	1500cc and over
Band	Km Range	Cents per km	Cents per km	Cents per km
1	0 to 1,500	37.95	39.86	44.79
2	1,501 to 5,500	70.00	73.21	83.53
3	5,501 to 25,000	27.55	29.03	32.21
4	Over 25,000	21.36	22.23	25.85

Billy Hannigan explained that the 1,500km band rate will be calculated from January 2017, which means that officers who have already travelled the initial 1,500km, or portion of 1,500km at the old rate can move into the higher band without penalty.

Billy added, "The new rates will ultimately be of greater benefit to those whose work obliges them to make extensive use of their own car, and provide a greater proportionate increase for those using smaller, more fuel efficient and environmentally-friendly cars".

"The new rates and formula give greater recognition to the cost of replacing a car. There are a number of grades - for example social welfare inspectors or revenue auditors - who end up having to replace their cars more often due to heavier use incurred in the normal course of their work."

Under the terms of the Haddington Road Agreement, the Government signalled its intention to conduct a review of how the rates are calculated. The agreement committed unions and management to cooperating with the review, and with the implementation of a standardised system of travel and subsistence across the public service.

### **Revised subsistence rates**

The circular also outlines revised subsistence rates for travelling officers.

The 'five hour' and 'ten hour' rates remain unchanged, but a new overnight rate of €133.73 will apply from 1st April, in recognition of the increasing costs of overnight accommodation.

Due to the exceptionally high cost of hotel accommodation in Dublin, especially at peak periods, a new vouched rate for Dublin will be applied, up to a maximum of €167.34 - consisting of the overnight rate plus the '10-hour' subsistence rate - for which a hotel receipt must be provided.

### **Foreign Subsistence Rates**

Rates of subsistence for officers travelling abroad have been unchanged since 2009. An extensive review of the rates undertaken by unions showed that they were well overdue increases. The latest set of negotiations includes increases in all of the rates for overseas travel.

*\*In 2015 it was agreed that the Domestic Overnight Subsistence Rate would be increased from the rate of €108.99 to €125.00 from 1 July 2015, and included changes to the distance requirements. It was also agreed that overnight rates would be reviewed annually from 2016 by using the "eating out" and "accommodation" element of the Consumer Price Index (CPI). The latest review incorporates increases in hotel and food prices since 2015 - in line with an agreed formula - and this produced the rate of €133.73. In 2015 it was also agreed that there would be no review of day subsistence rates until 2018.*