



HUMAN RESOURCES POLICY

SUBJECT:

Employee Ferry Pass Program

POLICY:

HR10.0

CREATED:

October 1, 2005

GROUP APPLICABLE:

All Employees

REVIEWED BY:

Executive Vice President
Human Resources & Corporate Development

APPROVED BY:

President & CEO

REVISED:

November 18, 2010

PURPOSE:

To establish and set out the policy and procedures regarding eligibility and utilization of Ferry Passes for employees and eligible retirees of British Columbia Ferry Services Inc.

POLICY:**1.0 Recognition and Association**

The Ferry Pass Program for eligible employees and their immediate families is intended to recognize employee service, engagement, and association with the Company and to facilitate and promote the products and services of the Company.

2.0 Company Discretion and Privilege

Participation in the Ferry Pass Program is considered a privilege and its Terms and Conditions are provided at the sole discretion of the Company.

As a condition of eligibility, employees and immediate family are expected to conduct themselves in a proper and responsible manner at all times while utilizing this privilege.

3.0 Travel Benefits**3.1 Eligible Employees**

Under the Ferry Pass Program, eligible employees (self and vehicle) are allowed:

- a) unlimited personal ferry travel within the BC Ferry System;
- b) ferry travel when traveling to and / or from Company-required training and development;
- c) ferry travel when traveling to and / or from Company-required work / business assignments at differing points of assembly;

3.2 Immediate Family Members – Family Pass

A family pass for immediate family members may be requested by the employee.

Family passes are non-transferable and are limited to twenty-four (24) one-way trips per calendar year that cannot be carried over from year to year.

The eligible employee, when traveling alone or with family, must always present and use his / her BC Ferries Security ID.

Retired employees and immediate family are required to provide picture identification upon request when using an immediate family Ferry Pass.

3.3 Retired Employees: Effective January 1/06

Eligible retirees are entitled to twenty-four (24) one-way trips per calendar year that cannot be carried over from year to year.

A pass for the spouse of a retiree may be requested by the retiree and is non-transferable and limited to twenty-four (24) one-way trips per calendar year that cannot be carried over from year to year. A surviving spouse shall continue to be eligible for a Ferry Pass.

A Retiree Ferry Pass will be effective on the first day of full retirement.

An employee who retired on or before December 31/06 shall be grandfathered under the previous policy.

3.4 Taxable Benefit – Revenue Canada

The Ferry Pass Program is a taxable benefit for all employee pass categories except business travel (including training). Employees will be assessed as follows:

- Taxable benefits will be calculated on the number of actual trips.
- Taxable benefits are not applicable when employees use a pass as a walk-on passenger.
- **In the case of a vehicle and driver, only the 'vehicle' portion is a taxable benefit and not the driver (additional eligible passengers are taxable benefits).**

3.5 BC Ferries Security ID Card - Employees

To be eligible under the Ferry Pass Program, the employee must hold a valid BC Ferries Security ID card and present it to the ticket agent on each route to be traveled.

'Retirees' and 'immediate family' members must hold a valid BC Ferry issued Ferry Pass Card.

4.0 Eligibility

4.1 Regular Employees

An employee hired as a full-time or part-time regular employee is eligible for an Individual pass (employee & vehicle) under the Employee Ferry Pass Program after one (1) week from date of hire, and eligible for a Personal pass and Family pass upon successful completion of three (3) months continuous service.

4.2 Casual Employees

An employee hired as a casual or temporary is eligible for an Individual pass (employee & vehicle) under the Employee Ferry Pass Program after one (1) week from date of hire, and eligible for Personal pass and Family pass upon completion of 913 hours worked.

4.3 Seasonal Employees

During the term of their employment with BC Ferries, an employee hired as a seasonal is eligible for an Individual pass (employee & vehicle) under the Employee Ferry Pass Program after one (1) week from date of hire.

4.4 Retirees

Employees with ten (10) or more years' continuous service with BC Ferries and who retire directly to the Public Service Pension Plan may be eligible under the Ferry Pass Program as a 'retiree'.

A Retiree Ferry Pass is effective on the first day of full retirement.

4.5 Employees on Authorized Leave

Employees on authorized leave, inclusive of pre-retirement, deferred salary, statutory (ie: maternity, paternity / adoption), disability (ie: Long Term Disability, Workers' Compensation) and leaves of absence not to exceed three (3) months shall retain Ferry Pass privileges for the duration of their leave.

Employees absent from work for other than the foregoing approved leaves shall have the status of their Ferry Pass determined by the Company.

4.6 Contract Personnel – Special Requests

Eligibility for participation in the Ferry Pass Program for contract personnel and special requests will be determined by the EVP, Human Resources in accordance with the applicable circumstances.

5.0 Termination of Employment

Eligibility under the Ferry Pass Program ceases upon termination of employment, misuse, misconduct, or extended leave, except as otherwise specified in this policy. BC Ferries Security ID and any other passes must be immediately returned.

6.0 Loss of Privilege

The eligible employee or retiree is responsible for ensuring the Terms and Conditions under the Ferry Pass Program are strictly followed.

Abuse, misconduct, or other reasons may lead to loss of privilege at the sole discretion of the Company.

In the case of employee misuse, the Company may consider further corrective action.

PROCEDURES:

1.0 Ferry Pass User Agreement

Upon presentation of their BC Ferries Security ID, eligible employees will receive and must complete a Ferry Pass User Agreement.

Completed and signed Agreements are to be returned to the local Employee Relations Department.

2.0 Reservations

Pass holders may use the reservation system (on those routes offering reservations) by paying the appropriate non-refundable fee at the time of booking and presenting their pass as usual at the time of travel.

3.0 Lost or Stolen Passes

Security ID and Ferry Passes are valuable and care must be taken to safeguard them. In the event of loss or theft, notice must be given immediately by the pass holder to the Revenue Department. A special application form may be required in support of a request for re-issue of the Ferry Pass. A waiting period may apply before a replacement pass is issued.

4.0 Restrictions

From time to time, the Company may restrict eligibility to utilize the Ferry Pass use on certain routes and / or at certain times.

5.0 Travel Type

At the time of traveling, the employee is required to state the type of usage (ie: personal, work-related, training).

RESPONSIBILITY:

The **Revenue Department** at Fleet House is responsible for issuing employee, retiree, and eligible immediate family member Ferry Passes, and for the administration of the program including auditing compliance and calculating taxable benefits

Corporate Human Resources is responsible for developing and overseeing the Ferry Pass Program.

EXCEPTIONS:

Any exception to these guidelines requires the approval of the Executive Vice President, Human Resources and of the President and CEO.

[Redacted Signature Box]

s. 22 - signature (David Hahn)

President & CEO

Date

DEFINITIONS

1. **"Immediate Family"**

- a) Spouse:
 - i) Legally married to and not legally separated from the employee.
 - ii) In a common-law relationship with the employee and cohabitating for at least twelve (12) consecutive months.
 - iii) Of the same sex as the employee and cohabitating for at least twelve (12) consecutive months.
- b) Dependent:
 - i) Under 19 years of age.
 - ii) 19 to 25 years of age and attending a school or University full-time.
 - iii) Over 19 years of age and dependent by reason of infirmity.
 - iv) An individual who resides with and is claimed on the employee's tax return as a dependent and for whom the employee maintains coverage under the BC Medical Services Plan and the BC Ferries' Extended Health Plan.

2. **Vehicle**

Any motorcycle or non-commercial vehicle, motor home, camper, panel truck, van, or pickup truck, in which the employee or eligible dependent 16 years of age or older is traveling, including a towed vehicle, recreational trailer, or moving van under 5,500 kgs.

3. **Trip**

Any single ticket event in which a taxable benefit is incurred will be considered as one allowable pass used.

4. **Continuous Service**

Calculated from the first day of work for which pay is received. If an employee resigns or is terminated and is rehired, continuous service is calculated from the first day of work for which pay is received **after** the rehire date. Service prior to that date will not be considered.

1. What is the policy regarding employee travel passes?

- Your Security ID card (with picture) will also be your Travel Pass.
- All employees are eligible for a Personal Employee Travel Pass following completion of their first week of employment.
- A Personal Employee Travel Pass allows employees to travel on their own, with or without a vehicle.
- Travel eligible on all routes, except during restricted periods.
- Full time or part time regular employees are eligible for a non-transferable Family Travel Pass for eligible family members after completing three (3) months of continuous service. Casual employees become eligible after 913 hours worked.
- Eligible family members are allowed 24 taxable one-way trips annually.
- All eligible employees are allowed unlimited personal ferry travel on their Personal Employee Travel Pass.
- Employees retiring after January 1, 2007 will be allowed 24 taxable one-way trips annually (the extra 48 trips for Gulf Island employees is eliminated).
- Employees retired prior to January 1, 2007 will be grandfathered with the old entitlement and will continue to receive the extra 48 trips (where applicable).
- All eligible employees will have Business Travel Pass use activated on their Security ID Card.
- All business pass usage has assured loading capability (where applicable).
- When employees are travelling for business purposes, additional passengers conducting business with BC Ferries are permitted to travel with the card holder.
- Business Travel Pass use is for Company approved business only (replaces paper business travel vouchers).
- Employees traveling as "Crew" to an assignment at a point of assembly (POA) that is not their normal work location will be entitled to use their Business Travel Pass to travel to and from their work assignment.
- Employee's traveling for Company approved education purposes will be allowed to use their Business Travel Pass.
- At all times and under all travel situations, employees are encouraged to travel as walk-on passengers. It is important to note that traveling as a walk-on passenger is a non-taxable benefit for the employee but not eligible family members when using your Personal Employee Travel Pass.

2. How do I get my Personal Employee Travel Pass with unlimited travel?

- Your Security ID will also be used as your Travel Pass. The one card can be used for Personal and Business (Crew/Training/Business) travel. You can pick up your Security ID card at your local Employee Relations (ER) office.
- You will be required to sign a User Pass Agreement before you can pick up your new Travel Pass / Security ID card.

3. How does the Security ID card work as my Travel Pass?

- Employees will present their picture Security ID card to the ticket agent at the toll booth. The ticket agent will swipe, scan or key the card into the Point of Sale to complete the transaction. The employee is responsible for communicating the purpose of their travel (Personal or Business) at the time that they produce the Security ID card for travel.

- 4. Who is eligible to travel with me on my Personal Employee Travel Pass?**
- Only the employee and eligible family members are allowed to travel on the Personal Employee Travel Pass.
- 5. Who are considered eligible family members?**
- The employee's spouse and dependants are eligible as long as they are included on the employee's Family Travel Pass application.
A spouse is defined as:
 - Legally married to and not legally separated from the employee;
 - In a common-law relationship with the employee and cohabitating for at least twelve (12) consecutive months; or
 - In a same sex relationship with the employee and cohabitating for at least twelve (12) consecutive months.A dependant is defined as:
 - A child under 19 years of age;
 - 19 to 24 years of age and attending a school or university full time. Pass privileges cease when the dependant reaches 25 years of age;
 - Over 19 years of age and dependant by reason of infirmity; or
 - An individual who resides with and is claimed on the employee's tax return as a dependant and for whom the employee maintains coverage under the BC Medical Services Plan and the BC Ferries Extended Health Plan.
- 6. How many separate Family Travel Passes are I entitled to?**
- If you have eligible family members you will be entitled to one (1) plastic Family Travel Pass. The Family Travel Pass will be mailed directly to the employee's home address.
- 7. What happens if my eligible family members use more than 24 trips in a year?**
- It is the employee's responsibility to track the number of trips used on the Family Pass. Should eligible family members exceed their annual allowable trips, the Family Travel Pass will be deactivated and an invoice sent to the employee. The employee is responsible for reimbursing the Company. Once the invoice is paid in full the Family Travel Pass will be reactivated for eligible non-trip travel.
- 8. How many trips are my family entitled to if I start work part way through the year?**
- For an employee who becomes eligible for travel pass benefits part way through the year, eligible family members will receive pro-rated trips based on two (2) per month for each full month. If the employee becomes eligible on the 16th of the month the eligible family members will receive one (1) trip for the month in which the employee becomes eligible, and two per month afterward.
- 9. What is considered a trip?**
- A trip is defined as:
 - Over two (2) eligible passengers; or
 - When a vehicle is used.

10. What type of vehicle can I pay for with my pass(es)?

- Any motorcycle or non-commercial vehicle, motor-home, camper, panel truck, van or pickup truck, in which the employee or eligible dependant 16 years of age or older is travelling, including a towed vehicle, recreational vehicle or moving van under 5500 kgs GVW.

11. Does a bicycle count as a vehicle?

- Yes. As per the tariff a bicycle is considered to be a form of vehicle transportation.

12. What is the Business Travel Pass used for?

- Ferry travel when travelling to and/or from Company required/approved work or business assignments away from the employee's point of assembly.
- Ferry travel when travelling to and/or from Company required/approved training and development.
- The Business Travel Pass replaces crew passes (northern employees) and paper business travel vouchers.

13. Can I use my Business Travel Pass to travel between work and home?

- No, for travel from your home to your regular work assignment (POA) your personal travel pass may be used and is considered a taxable benefit.

14. How do I monitor the number of trips I have taken?

- It is recommended that employees keep either their receipts or a log of the trips taken. A separate ticket is received each time travel occurs. The separate ticket will detail how many personal employee, family and business trips have been taken. The counts will not include the past two (2) days travel.
- Trips taken at non-Point of Sale locations (Hornby Island, Cortez Island, Mill Bay, etc.) are recorded manually. There may be a delay in updating pass usage in the system if these routes have been used.

15. Who signs the Family Travel Pass?

- The employee is to sign the family pass.

16. What happens to my pass(es) while I am on leave?

- For employees on authorized pre-retirement, deferred salary, and statutory (Maternity/Paternity/Adoption) leave you will retain your personal travel pass benefits for the duration of your leave.
- For employees on any other leaves of absence not exceeding three (3) months you will retain your personal travel pass benefits. After three months of leave, pass benefits will be suspended. Your pass privileges are automatically reinstated upon return to work.
- Note: Employees will not retain their business pass privileges once they start any leave.

17. What happens to my pass(es) while I am on Long Term Disability or WCB Leave?

- Employees will retain their travel pass benefits.

18. If I forget, or cannot locate my pass(es) and I have to pay for my trip at the ticket booth, will I receive a refund?

- No, refunds are not permitted for employees or their eligible family members. You must present your pass at the time of travel.

19. If I forget my Security ID card am I able to use my Family Travel Pass to travel?

- Yes, however this may cause you to use a trip which will not be transferable to your personal pass at a later date.

20. Another person has taken my pass(es) and used it without my permission. Am I responsible for the cost and/or the taxable benefit?

- Yes. As per the Employee Ferry Pass policy the pass is strictly non-transferable. It is the employee's responsibility to safeguard his/her pass(es) against abuse. Misuse of the ferry pass benefit is a form of fare evasion and, as such, will be treated very seriously by the Company.

21. What happens if the Security ID card or Family Travel Pass is lost or stolen?

- If your Security ID card is lost or stolen, you must contact the Operations and Security Centre (OSC) to obtain an iSail number. Once you have the iSail number, you can request that your Manager or ER office complete a Request for Security ID Card form (available on the Intranet), which must be completed and sent to Corporate Security Services, Head Office. Upon notification of the loss or theft, Corporate Security Services will cancel the card and re-issue a new card. The new card will be delivered to the local ER office and can be picked up on receipt. Employees are only entitled to one Security ID card. If a lost card is recovered, the old card must be returned to Corporate Security Services.
- If the Family Travel Pass is lost or stolen contact Customer Accounts at 250-. Upon notification of the loss or theft the Revenue department will cancel the card and re-issue a new card. The new card will be mailed to the employee's home address.
- You are responsible for any trips or taxable benefits charged to your Security ID card or Family pass up to the point of notification to the company that it has been lost or stolen.

s. 22 - telephone number

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22. Am I able to use the Reservation system with the Employee Travel pass?

- Yes. Pass holders may take advantage of the Reservation system (on those routes offering reservations) by paying the appropriate non-refundable fee at the time of booking and presenting the pass at the time of travel. The pass only covers the fare for travel, not the reservation fee. Booking and fee information can be found on the internet or by contacting the Customer Service Centre.

23. What fares are taxable?

- All fares, including fuel surcharges/rebates and the assured loading premium (on Executive passes) are taxable at 100% at the lowest retail rate.
- The only exempt fare allowed by the Canada Revenue Agency is an employee's fare when using their Personal Security ID card for travel. However, if an employee travels using their family pass, their fare will be taxed at 100% and the trip will not be transferred to their Personal Security ID pass at a later date.

24. What is the "lowest retail rate"?

- The Canada Revenue Agency has determined that the taxable benefit will be calculated at the lowest retail rate available for that route. For example:
 - Experience Card rates on applicable routes
 - Coast Saver rates on applicable sailings

25. How much tax will be charged?

- 100% of the "lowest retail rate" (applicable to the route) will be taxed at your Personal Tax rate. For example, a Vehicle, Employee and one Passenger (\$62.20 ticket price) would be taxed as follows:

Vehicle (\$34.20 full rate, \$23.95 lowest retail rate)

+ Passenger (\$12.60)

+ Fuel Surcharge Vehicle (\$1.80)

+ Fuel Surcharge Passenger (\$0.50)

= \$38.85 taxable at your Personal Tax rate:

\$38.85 x Personal Tax Rate (i.e. 30%) = \$11.66

In this case, \$11.66 would be deducted from your pay check as tax owing to CRA.

- The employee is not taxable when using their Security ID Travel Pass.

26. How do I update dependant information on the Family Travel Pass?

- To add or delete dependants complete a new Application for Family Pass form marked 'Amended' and forward to Customer Accounts, Revenue Department, Head Office.

27. How old does my dependant need to be, when travelling without other eligible family members, in order to use my Family Travel Pass to pay for their fare?

- There is no age restriction for dependants using the Family Travel Pass to pay for their passenger fare. Only a dependant 16 years of age or older can pay for the vehicle in which they are travelling in, in addition to their passenger fare.

28. What are the requirements for receiving travel pass benefits after retirement?

- Employees with ten (10) years or more continuous service with BC Ferries and who retire directly to the Public Service Pension Plan may be eligible for pass benefits. A Retiree Ferry Pass is effective on the first day of retirement. An eligible retiree may also apply for a Retiree Spousal Travel pass, which is available for spouses of retired BCF employees. Please note that the Retiree Spousal Travel pass is only for spouses of retired employees, and is not applicable to a retiree's dependents.

29. Do retiree's incur a taxable benefit when using their retiree pass?

- Yes. The Canada Revenue Agency (CRA) has determined that this is a taxable benefit.

30. Do my family members need to have a photo taken for the Family Travel Pass?

- No, the Family Travel Pass does not require a photo. The pass is issued in the employee's name, and must be signed by the employee.



Employee Pass

The Ferry Pass Program for eligible employees and their immediate families is intended to recognize employee service, engagement, and association with the Company and to facilitate and promote the products and services of the Company.

Participation in the Ferry Pass Program is considered a privilege and its Terms and Conditions are provided at the sole discretion of the Company.

As a condition of eligibility, employees and immediate family are expected to conduct themselves in a proper and responsible manner at all times while utilizing this privilege.

Retired BCF employee and surviving spouse may qualify for a Retiree Ferry Pass. Retirees should confirm their eligibility with Human Resources.

Link to Human Resources policy: [Ferry Pass Programme](#)

Link to BCF Intranet: [Employee Pass information](#)

Route 1, 2, 3, 30:

- Major Route Reservation - regular premiums apply to Employees.
- Premium must be prepaid with a credit card - Employee Passes do not cover reservation fees.

Route 9:

- Same policy & procedures apply as Route 1 (i.e. one pass per trip).
- When making reservation(s), please enter flag in the employee's Customer Window.
- Revise the due date to the sailing date.

Route 10/11/40:

- All employees with pass privileges can use their plastic pass to cover travel on this route as entitled.
- Revise due date to the sailing date and add the employee flag to the profile. The flag will show under the surname on the Customer Window.
- The employee pass must be presented upon check in.
- The passenger reservation (for eligible employees and immediate family members covered by their pass) must be made separate from the vehicle and the cabin reservation (for income tax purposes). Reserve passengers covered by the Pass under one reservation window; book the vehicle under a separate reservation window; book passengers not covered by the Pass as well as cabins or Reserved Seating under a separate reservation window.
- Cross-reference the reservations.
- Please book the reservation and indicate the EMP flag on the profile. Change the due date to the date of travel for the portions covered by the Pass.
- At check-in the employee must present their plastic employee pass.
- **CABINS** are on a first come first serve basis. Priority is not given to employees. Business pass can be used for payment at check in if the employee is travelling on business (visiting the operation for various reasons... audits, working on aboard as support, etc...). The Business pass would cover both their travel and the cabin.

Note: Cabins are not included on a business pass if travel is to another POA or a term certain.

Definitions and Frequently Asked Questions

See Updated Employee Ferry Pass Program - 24Mar07

Who is eligible to travel with me on my Personal Travel Pass?

Only the employee and eligible family members are allowed to travel on the Employee Travel Pass.

Who are considered eligible family members?

The employee's spouse and dependants are eligible as long as they are included on the employee's Family Travel Pass application.

A spouse is defined as:

- Legally married to and not legally separated from the employee
- In a common-law relationship with the employee and cohabitating for at least twelve (12) consecutive months
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- A child under 19 years of age
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How many separate Family Travel Passes am I entitled to?

If you have eligible family members you will be entitled to one (1) plastic Family Travel Pass. The Family Travel Pass will be mailed directly to the employee's home address.

What happens if my eligible family members use more than 24 trips in a year?

It is the employee's responsibility to track the number of **trips** used on the Family Pass. Should eligible family members exceed their annual allowable trips, the Family Travel Pass will be deactivated and an invoice sent to the employee. The employee is responsible for reimbursing the Company. Once the invoice is paid in full the Family Travel Pass will be reactivated for eligible non-trip travel.

How many trips are my family entitled to if I start work part way through the year?

For an employee who becomes eligible for travel pass benefits part way through the year, eligible family members will receive pro-rated trips based on 2 per month for each full month. If the employee becomes eligible on the 16 of the month the eligible family members will receive 1 trip for the month in which the employee becomes eligible, and two per month afterward.

What is considered a trip?

A trip is vehicular or passenger travel that results in a taxable benefit.

A trip is defined as:

- Over two (2) eligible passengers; or
- When a vehicle is used.

What type of vehicle can I pay for with my pass(es)?

Any motorcycle or non-commercial vehicle, motor-home, camper, panel truck, van or pickup truck, in which the

employee or eligible dependant 16 years of age or older is travelling, including a towed vehicle, recreational vehicle or moving van under 5500 kgs GVW.

Does a bicycle count as a vehicle?

Yes. As per the tariff a bicycle is considered to be a form of vehicle transportation.

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