

**PAYE/PRSI on Benefits  
from Employments  
from 1st January 2004**



## Index

	<b>Page</b>
Taxation of Benefits - General	5
<b>Accommodation</b>	
Associated Costs	13
Employee required to live on premises	13
Employer-owned accommodation	13
Free or Subsidised	13
Rented accommodation	13
<b>Cars</b>	
Allowances	8
Alternative Basis for certain individuals with low business travel	7
Calculation of 'Cash Equivalent'	6
Car-pools	8
Meaning of 'car'	6
Motor Industry Employees	8
Private use of	6
Steps to calculating 'notional pay' for company car	6
<b>Vans</b>	
Allowances	10
Cash Equivalent of private use of van	9
Employee makes good to employer	9
Exemption of company vans	10
Meaning of 'van'	9
Private use of company vans	9
Van-pools	10
<b>Preferential Loans</b>	
Specified Rates	11

	<b>Page</b>
<b>Other Benefits</b>	
Car parking	16
Christmas parties and other inclusive events	16
Company shares	14
Computers and Other Equipment provided in an Employee's Home	17
Corporate Charge Cards	17
Course or exam fees	18
Crèche/Childcare Facilities	14
En Bloc Payments/Corporate Memberships	15
Examination Awards	18
Exceptional Performance Awards	18
Home High-Speed Internet Connection	17
Home Telephone	17
In-House Medical Plans/Corporate General Practitioner Services	16
Laptops	16
Long Service Awards	19
Meals and Meal Vouchers	14
Medical Check-ups	17
Mobile Phones	17
Newspapers, Periodicals, etc., Provision of	18
Pension Contributions	14
Professional Subscriptions	18
Small Benefits	4
Sports and Recreational Facilities	15
Staff Discounts	16
Staff Suggestion Schemes	19
Travel Passes	16
Work Related Supplies	16

## Introduction

This leaflet sets out the position regarding the taxation of Benefits from Employment received since the 1st of January 2004. The leaflet IT20 - 'Taxation of Benefits from Employment' sets out the position regarding Benefits that were received up to the 31st of December 2003.

Most benefits-in-kind (e.g. the private use of a company car, free or subsidised accommodation and preferential loans) received from your employer are taxable, if your **total remuneration (including the value of the benefit) is €1,905 or more in any tax year.**

If you are a director of the company, any benefits received are taxable, regardless of the level of remuneration.

Benefits which your employer provides for **any member of your family or household are also taxable.**

In addition, you are chargeable to tax in respect of 'perquisites' from your employer, that is, remuneration in non-money form, which is convertible into money or money's worth, e.g. shopping vouchers, the payment of club subscriptions or medical insurance premiums paid by your employer on your behalf.

For ease of reference, benefits and perquisites are collectively referred to as 'benefits', hereafter in this leaflet.

PAYE /PRSI and the Health Contribution were not applied to benefits provided before the 1st of January 2004. Instead, the income tax due was collected by way of 'coding-in' under the PAYE system, i.e. your tax credits and Standard Rate Cut Off Point were restricted to increase your tax payable to the extent required to collect the tax due on your benefits.

**This procedure no longer applies to most benefits after the 31st of December 2003.**

## Benefits Treated as Notional Pay

Since the **1st of January 2004** - PAYE, PRSI and the Health Contribution is deducted by your employer from your money wages or salary, in respect of the taxable value of most benefits provided.

The taxable value of the benefit to be taken into account is referred to as **'notional pay'**.

For ease of references PRSI and the Health Contribution are collectively referred to as PRSI hereafter in this leaflet.

### Insufficient Money Wages or Salary in a pay period

Where, due to an insufficiency of money wages or salary in a pay period, all or part of the PAYE and PRSI due on a large benefit cannot be deducted by your employer, you may, by agreement with your employer, arrange to pay any PAYE and PRSI balance from subsequent money wages or salary. Any PAYE balance due must be paid by the 31st of March in the year following the year during which the benefit was provided to avoid a further PAYE and PRSI liability arising.

### Small benefits

Where your employer provides you with a small benefit [i.e. a benefit with a value not exceeding €250 (€100 prior to the 1st of January 2005)] PAYE and PRSI will not be applied to that benefit. **No more than one** such benefit received by you within a tax year will qualify for such treatment. Where a benefit exceeds €250 (€100 prior to the 1st of January 2005) in value, the **full** value of the benefit will be subject to PAYE and PRSI deductions.

## Taxation of Benefits - General

### General Rule

The general rule for establishing the value of a taxable benefit (i.e. notional pay), which will be liable to PAYE and PRSI, is to take the **higher** of

- the expense incurred by your employer in connection with the provision of the benefit to you or
- the value realisable by you for the benefit in money or money's worth

**less** any amount you made good to your employer.

**The following paragraphs list some of the more common benefits and their treatment.**

### Payments on behalf of employees - general

In the case of the payment of club subscriptions, medical insurance or other such payments on your behalf, it is the expense incurred by your employer (less any amount you reimburse your employer directly) that is taken into account for PAYE and PRSI purposes.

## Private Use of Company Cars

Where a company car is made available for your private use (whether used or not by you), you are chargeable to PAYE and PRSI in respect of that use. **Travel to and from work is generally regarded as private use.**

### **Meaning of 'Car'**

A car means any mechanically propelled road vehicle designed, constructed or adapted for the carriage of the driver or the driver **and one or more other persons**, other than

- (a) a motorcycle, the weight of which is less than 410 kilograms,
- (b) a van (see definition below), or
- (c) a vehicle not commonly used as a private vehicle and unsuitable to be so used.

'Car' includes all cars within the ordinary meaning of the word, e.g. crew cabs and jeeps constructed with rear passenger seats but it excludes hearses and lorries.

### **Calculation of the 'cash equivalent'**

The notional pay to which PAYE and PRSI will be applied by your employer is determined by reference to the '**Cash Equivalent**' of the private use of the company car. The cash equivalent is arrived at by applying a percentage based on business kilometres travelled to the '**Original Market Value**' (OMV) of the vehicle supplied (whether the vehicle is owned, acquired new or second-hand or leased by your employer).

The cash equivalent is then reduced by any amount required to be made good, and actually made good, by you, **directly to your employer**, in respect of any part of the cost of providing or running the car.

## Three steps to calculating 'notional pay' in respect of a company car

There are three steps involved in calculating the amount of 'notional pay' in respect of a company car.

### **Step One - Ascertain the Original Market Value of the car.**

The Original Market Value (OMV) of a car is the price (including any duty of customs, duty of excise or Value-Added Tax chargeable on the car) which the car might reasonably have been expected to fetch, if sold in the State singly in a retail sale in the open market, immediately before the date of its first registration in the State or elsewhere. Original market value includes Vehicle Registration Tax (VRT).

### **Step Two - Ascertain the number of Business Kilometres travelled for the year and calculate the Cash Equivalent using the appropriate percentage.**

Having ascertained the OMV of the car, the cash equivalent must be calculated. This is calculated by applying the appropriate annual business kilometric related percentage in the table below to the OMV.

**A record of annual business kilometres travelled (e.g. a log book) must be maintained for the purpose of determining the appropriate percentage.**

Annual Business Kilometric Thresholds	Cash Equivalent (% of OMV)
24,135 or less	30%
24,136 to 32,180	24%
32,181 to 40,225	18%
40,226 to 48,270	12%
48,271 and over	6%

### Step Three - Deduct amounts you made good to your Employer

Having ascertained the cash equivalent amount, deduct any amount made good by you directly to your **employer** towards the cost of providing or running the car.

#### Example

You have the use of a company car with an original market value of €25,000. You travel 22,000 business kilometres annually and contribute €1,000 per annum directly to the employer for the private use of the car. In addition, you pay for your own private fuel.

The notional pay is calculated as follows:

€25,000 x 30%	€7,500
<b>Less</b>	
amount made good to employer	(€1,000)
Notional Pay for the year	€6,500

**Your employer must add 'notional pay' of €6,500 (€125.00 per week/ €541.66 per month) to your money wages or salary for the year for the purposes of calculating PAYE and PRSI due.**

**Note: There is no reduction available for the private fuel as this is not an amount made good directly to the employer.**

If you make a **lump sum contribution** to your employer towards the purchase price of a company car, the amount contributed is regarded as an amount made good by you, in the first tax year in which the benefit is chargeable. Where exceptionally, the lump sum contribution exceeds the cash equivalent for that year, the excess may be set off in computing the notional pay for the subsequent tax year.

#### Alternative Basis for certain individuals with low business travel

In the case of certain individuals whose annual business travel does not exceed 24,135 kilometres, the cash equivalent of 30% of OMV may be reduced by 20%, giving an effective cash equivalent of 24% of OMV.

This alternative basis is available if you:

- work an average of not less than 20 hours per week and

- travel at least 8,045 business kilometres per annum on your employer's business and
- spend at least 70% of your working time away from your employer's premises and
- retain a logbook detailing the amount of business kilometres travelled, business transacted, business time travelled and date of journey, and the logbook is certified by your employer as being correct.

### Business Kilometres Travelled

In calculating the amount of business kilometres travelled (i.e. total kilometres travelled less private kilometres travelled) for the purposes of calculating the amount of notional pay in respect of a company car, your employer will deduct a minimum of 8,045 for private kilometres unless you can provide documentary evidence (e.g. a log book) that the amount of private kilometres you travelled is in fact lower.

### Car Allowances

If you surrender the use of a company car and your employer gives you a round sum car allowance instead, this allowance is fully liable to PAYE and PRSI.

If your employer reimburses you in respect of the actual expense of the business kilometres driven **in your own car** and that reimbursement is in line with the conditions set out in the Revenue Information Leaflet IT51 (Employees' Motoring Expenses - available from our website [www.revenue.ie](http://www.revenue.ie)), a PAYE or PRSI liability does not arise on the amounts reimbursed.

If your employer gives you money to purchase a car, the amount paid is fully liable to PAYE and PRSI, whether or not you use the car for business purposes.

### Cars in 'car-pools'

There is no charge to PAYE or PRSI in respect of a car which is in a 'car pool'. A car is treated as being in a car pool if all of the following conditions are satisfied:

- the car is made available to, and is actually used by, more than one employee and is not ordinarily used by one employee to the exclusion of the others, and
- any private use of the car by any employees is merely incidental to business use, and
- it is not normally kept overnight at the home of any employee.

### Employees in the Motor Industry

Employees in the motor industry may have the use of several different vehicles on a daily basis during the course of their duties. An average Original Market Value (OMV) may be applicable for the purposes of calculating the amount of the notional pay in respect of the use of those vehicles. Details of the average OMVs are available on request.

## Private Use of Company Vans

Where a company van is made available for your private use (whether used or not by you), you are chargeable to PAYE and PRSI in respect of that use. **Travel to and from work is generally regarded as private use.**

### Meaning of 'van'

A van means a mechanically propelled vehicle which -

- is designed or constructed solely or mainly for the carriage of goods or other burden, and
- has a roofed area or areas to the rear of the driver's seat, and
- has no side windows or seating fitted in that roofed area or areas.

Where a jeep or other similar type of vehicle meets **all of these criteria** it is regarded as a van rather than a car (e.g. jeeps and similar vehicles **constructed** without rear seats and without side windows behind the driver and front passenger seats and not subsequently adapted).

### Cash equivalent of private use of van

The notional pay to which PAYE and PRSI is applied is determined by reference to the 'cash equivalent' of the use of the van. The cash equivalent is 5% of the Original Market Value (OMV) of the vehicle supplied. The OMV is calculated in the same manner as for cars as outlined above.

### Employee makes good to employer

The cash equivalent is reduced by any amount required to be made good, and actually made good, by the employee directly to the employer, in respect of any part of the cost of providing or running the van.

### Example 1

You have a company van for business and private use and the original market value of the van is €18,000. You are not required to make any contribution towards the provision or the running costs of the van.

The notional pay is calculated as follows:

$$€18,000 \times 5\% = €900$$

**Your employer must add 'notional pay' of €900 (€17.30 per week/ €75.00 per month) to your money wages or salary for the year for the purposes of calculating PAYE and PRSI due.**

## Example 2

You have a company van for business and private use and the original market value of the van is €20,000. You are required to make an annual contribution of €500 towards the provision or the running costs of the van.

20,000 x 5%	€1,000
<b>Less</b>	
amount made good to employer	(€ 500)
Notional Pay for the year	€ 500

**Your employer must add ‘notional pay’ of €500 (€9.61 per week/ €41.66 per month) to your money wages or salary for the year for the purposes of calculating PAYE and PRSI due.**

## Van Allowances

If you surrender the use of a company van and your employer gives you a round sum van allowance instead, this allowance is fully liable to PAYE and PRSI.

If your employer reimburses you in respect of the actual expense of your business mileage driven in your **own van** and that reimbursement is in line with the conditions set out in the Revenue Information Leaflet IT51 (Employees’ Motoring Expenses - available from our website [www.revenue.ie](http://www.revenue.ie)), a PAYE or PRSI liability does not arise on the amounts reimbursed.

If your employer gives you money to purchase a van, the amount paid is fully liable to PAYE and PRSI, whether or not you use the van for business purposes.

## Vans in ‘van-pools’

There is no charge to tax in respect of a van, which is in a ‘van pool’. A van is treated as being in a van pool if all of the following conditions are satisfied:

- the van is made available to, and is actually used by, more than one employee and is not ordinarily used by one employee to the exclusion of the others, and
- any private use of the van by the employees is merely incidental to business use, and
- it is not normally kept overnight at the home of any employee.

## Exemption

There is exemption from the benefit-in-kind charge in respect of company vans in certain circumstances.

There will not be a charge to PAYE or PRSI in respect of a company van where all of the following conditions are met: -

- the van is supplied by your employer to you for the purposes of your work and,

- you are required by your employer to bring the van home after work and,
- apart from travelling from work to home and back to work, other private use of the van by you is forbidden by your employer, and there is in fact no other private use and,
- in the course of your work, you spend at least 80% of your time away from the premises of your employer to which you are attached.

**This exemption applies to company vans only. It does not apply to company cars.**

There is no charge to PAYE or PRSI in kind in respect of the private use of a commercial vehicle with a gross vehicle weight (i.e. gross laden weight) in excess of 3,500kg.

## Benefit of Preferential Loans

### Preferential Loans

PAYE and PRSI apply to the benefit derived from certain loans at preferential rates of interest.

A 'preferential loan' means a loan, made by your employer to you and/or your spouse, in respect of which no interest is payable, or interest is payable at a rate lower than the 'specified rate'. (It does not include a loan where the rate of interest charged is not less than the rate of interest at which the employer, in the course of the employer's trade, makes equivalent loans for similar purposes at arm's length to persons other than employees or their spouses).

The **specified rate** depends on whether the loan is a qualifying home loan or a loan for other purposes. A qualifying home loan is a loan which qualifies for mortgage interest relief. The specified rates vary from time to time, depending on changes in commercial rates.

### Specified Rates

The specified rates for 2006 are:

Qualifying Home Loans 3.5%	All Other Loans 11%
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### Amount of taxable benefit to which PAYE / PRSI applies

PAYE and PRSI is payable on the difference between the amount of interest paid or payable on the preferential loan in the tax year and the amount of interest which would have been payable in the tax year if the loan had been subject to the specified rate.

The basis used for the purposes of calculating the interest which would have been payable on the loan at the specified rate applicable will be on the same basis in use for the purposes of calculating the actual interest payable on the loan, e.g. based on the amount outstanding at the start of the year or on the reducing balance during the year.

### Example 1

Your employer agrees to grant you a qualifying home loan. The loan amount is €10,000 and the interest rate is 2%. The loan term is one year and the interest is charged on the full amount.

The interest which would be payable on the loan at the specified rate is €350 (€10,000 @ 3.5%).

The actual interest payable at the agreed lending rate will be €200 (€10,000 @ 2%).

The taxable benefit is therefore €150 (€350 - €200).

**Your employer must add 'notional pay' of €150 (€2.88 per week/ €12.50 per month) to your money wages or salary for the year for the purposes of calculating PAYE and PRSI due.**

### Example 2

Your employer agrees to grant you a car loan. The loan amount is €15,000 and the interest rate is 5%. The loan term is one year and the interest is charged on the full amount.

The interest which would be payable on the loan at the specified rate is €1650 (€15,000 @ 11%).

The actual interest payable at the agreed lending rate will be €750 (€15,000 @ 5%).

The taxable benefit is €900 (€1,650 - €750).

**Your employer must add 'notional pay' of €900 (€17.30 per week/€75 per month) to your money wages or salary for the year for the purposes of calculating PAYE and PRSI due.**

## Free or Subsidised Accommodation

### Employer-owned accommodation

Where accommodation is **owned** and provided by your employer for your use, the value of the taxable benefit is the aggregate of

- any expense (other than the cost of acquisition) incurred by your employer in connection with the provision of the accommodation, and
- the **annual value** of its use.

The **annual value** of the use of employer-owned accommodation is the annual rent which your employer might reasonably expect to obtain for the property if the property were rented on an arm's length basis and on the basis that the landlord be responsible for all repairs, insurance, etc. and the tenant undertook to pay all the usual tenant's expenses.

As a general rule of thumb for calculating the market rent (the annual rent which your employer might reasonably expect to obtain), your employer may take a figure equal to **8% of the current market value of the property**.

### Employee required to live on premises

A taxable benefit will not arise where you, as an employee (but not as a director), are required by the terms of your employment, to live in accommodation provided by your employer, in part of your employer's business premises so that you can properly perform your duties AND EITHER

- the accommodation is provided in accordance with a practice which, since before the 30th of July 1948, has commonly prevailed in trades of the class in question as respects employees of the class in question,
- or
- it is necessary, in the particular class of trade, for employees of the class in question to live on the premises.

### Rented accommodation

If accommodation is rented by your employer on your behalf, the taxable benefit for PAYE and PRSI purposes is the actual amount of rent paid less any amount which you pay to your employer in respect of the accommodation.

### Associated Costs

Where your employer meets any of the costs associated with the provision of living accommodation, e.g. cost of light or heat, a taxable benefit will arise on the amount met by your employer and not made good by you.

## Free Use of Assets (other than accommodation, company cars or vans)

### Calculation of amount of taxable benefit

Where an asset (other than accommodation, company cars or vans), which continues to belong to your employer, is provided for your use, the annual value of the use of the asset is 5% of the market value of the asset when it was first provided as a benefit. This is the amount which your employer must take into account when calculating 'notional pay' for the purposes of PAYE and PRSI.

## Other Benefits

### Company Shares

If you are employed by a company and you receive shares in that company (or in a company which has control of that company) either free of charge or at a discounted price or under an unapproved share scheme, your employer will not deduct PAYE and PRSI in respect of such shares.

**However, you are still chargeable to tax on the benefit accruing to you, and you must return the details on your annual return of income form.**

### Pension Contributions

PAYE and PRSI will not be applied by your employer to pension contributions paid by your employer on your behalf to a Revenue-approved superannuation scheme or a Personal Retirement Savings Account (PRSAs).

### Meals and Meal Vouchers

*Canteen Meals* - A taxable benefit does not arise in respect of free or subsidised meals in staff canteens where meals are provided for staff generally. The facility must be available to all employees. Otherwise, the exemption does not apply. In the event that a taxable benefit does arise, the running costs will be apportioned by your employer, between those employees entitled to use the canteen, and taken into account as notional pay for PAYE and PRSI purposes in respect of those employees.

*Meal Vouchers* - Where your employer provides you with luncheon or meal vouchers there is a taxable benefit and the face value of the vouchers (disregarding 19c per voucher) must be taken into account by your employer as notional pay for PAYE and PRSI purposes.

### Crèche/Childcare Facilities

*Employer-provided facility* - If your employer provides free or subsidised childcare facilities for employees, a taxable benefit does not arise where the childcare facility is provided on premises which

- (1) meet certain requirements of the Child Care (Pre-School Services) Regulations 1996, and
- (2) are made available
  - solely by the employer, or
  - by the employer jointly with one or more other participants in a joint scheme and the employer is wholly or partly responsible for either
    - financing and managing the facility, or
    - providing capital for the construction or refurbishment of the premises, or
  - by any other person or persons and the employer is wholly or partly responsible for either
    - financing and managing the facility, or
    - providing capital for the construction or refurbishment of the premises.

Independent facility - Where the above conditions are not complied with, e.g. if your employer merely pays for or subsidises the cost to an independent crèche or child care facility, the cost borne by your employer is a taxable benefit and PAYE and PRSI must be applied to the amount paid and not reimbursed by you.

If your employer makes a block payment to a crèche or childcare facility, the amount paid will be apportioned and treated as notional pay for the respective employees. Your employer will apportion the block payment between the employees having regard to the facts, including the number of children concerned for each employee.

### **Sports and Recreational Facilities**

*Facilities provided on your employer's premises* - Where sports and recreational facilities are made available on your employer's premises for the use of employees generally, a taxable benefit is not treated as arising. The facility must be available to all employees.

Where the facilities are not available to all employees there is a taxable benefit. The taxable benefit is computed by apportioning the running costs in a reasonable manner between those employees entitled to avail of the facilities.

### **'En Bloc' Payments / Corporate Memberships**

Where a block payment is made by your employer to provide a benefit to all staff, or on behalf of a specified number of employees, your employer will divide the payment equally amongst all staff entitled to benefit from the payment and this amount will be treated as notional pay. Any employee who specifically indicates to his or her employer that he or she does not wish to avail of the benefit arising from the block payment or corporate membership, and does not in fact avail of it, will be left out of the account.

### **In-House Medical Plans/Corporate General Practitioner Services**

If your employer operates an in-house medical plan under which staff contribute to and claim from the plan or if your employer employs or retains a general practitioner of whose services the employees can avail of - PAYE and PRSI will not be applied by your employer to any benefit arising from your employer's contribution to the plan or of the cost of employing or retaining the general practitioner.

### **Staff Discounts**

*Price above cost to your employer* - A discount, given by your employer (e.g. an employer in the retail sector) on the purchase of goods by you, is not regarded as a taxable benefit if the sum paid by you is equal to or greater than the cost to your employer of acquiring or manufacturing the goods.

*Price below cost to your employer* - Where goods are sold to you at a price which is below your employer's cost, the difference between that cost and the price paid is a taxable benefit and PAYE and PRSI will be operated by your employer on this amount.

### **Christmas Parties and other inclusive events**

If your employer incurs a cost in providing staff Christmas Parties, special occasion meals or other inclusive events, such as sports days for staff, a taxable benefit will not be treated as arising where the expenses involved are reasonable.

### **Travel Passes**

PAYE and PRSI will not be applied by your employer to the value of certain monthly or annual bus and train passes given to employees for use on a licensed passenger transport service.

### **Car Parking**

Car parking facilities provided by your employer are not treated as giving rise to a taxable benefit.

### **Work-related supplies**

Office accommodation, furniture, supplies or services provided for you on business premises and used by you solely in performing the duties of your office or employment do not give rise to a taxable benefit.

### **Laptops**

If your employer provides you with a laptop for business use, a taxable benefit will not be treated as arising where private use is merely incidental to the business use of the laptop.

### Mobile phone

If your employer provides you with a mobile phone for business purposes and the employer bears the cost of use of the phone, a taxable benefit will not be treated as arising if private use is merely incidental to the business use of the phone.

### Home High-Speed Internet Connection

If your employer provides you with a home high-speed internet connection (DSL, Broadband or similar technology) for business purposes and your employer bears the costs of its installation and use, a taxable benefit will not be treated as arising where private use is merely incidental to the business use of the connection.

### Computers and Other Equipment provided in an Employee's Home

**A taxable benefit will arise in respect of a computer or other equipment provided in your home for your private use only.** The amount of notional pay your employer must operate PAYE and PRSI on is 5% of the market value of the asset when first provided as a benefit. In the event that the equipment is provided for business purposes, a taxable benefit will not be treated as arising where any private use is merely incidental to the business use.

### Home Telephone

*Single Home Telephone Account* - Where a home telephone is used for business and private use and your employer pays any associated costs, such as the line rental and/or the monthly/bi-monthly telephone bill, a taxable benefit will arise. The amount of the notional pay your employer will take into account will be **50% of the costs** incurred by your employer less any amount you make good to your employer. (Where the documented / evidenced private use is lower than 50%, your employer may calculate the notional pay by reference to that lower percentage).

*Second Home Telephone Account* - If your employer provides you with a home telephone for business use and your employer bears the costs of the use of the phone, no taxable benefit will arise where private use is merely incidental.

### Corporate Charge Cards

*Business Use Only* - If your employer provides you with a charge card exclusively for business use, any annual membership or stamp duty paid by the employer in connection with the card will not be regarded as a taxable benefit.

*Business and Private Use* - If you can use the card for private purchases, or other private payments, any amount which your employer pays in respect of your private purchases, or for other non-business purposes, that are not made good by you, are taxable benefits, and your employer must apply PAYE and PRSI to such amounts.

### Medical Check-ups

The provision of medical check-ups by your employer at no cost to you, **which you are required to undergo by your employer**, will not be regarded as taxable benefits.

### **Course or Exam Fees**

Where your employer refunds course or exam fees which have been paid by you, or makes direct payments of course or exam fees on your behalf, and the course undertaken by you is relevant to the business of your employer, a taxable benefit will not arise.

A course is regarded as relevant to the business of your employer where it leads to the acquisition of knowledge or skills which are

- necessary for the duties of the employment, or
- directly related to increasing the effectiveness of the performance of your present or prospective duties in the office or employment.

### **Professional subscriptions**

If your employer pays a subscription to a professional body on your behalf, or reimburses you if you have paid a subscription, a taxable benefit will not arise if membership of that professional body is relevant to the business of your employer, i.e. directly related to the duties of your office/employment.

Where membership of a professional body cannot be so regarded as relevant to the business of your employer, any subscription paid directly or indirectly by your employer, will be regarded as a taxable benefit.

### **Provision of newspapers, periodicals etc.**

If your employer provides you with free periodicals, newspapers, etc., which are generally related to your employer's business, a taxable benefit will not be treated as arising.

### **Examination Awards**

*Reimbursement of Expenses* - Examination Awards made to you, in the context of passing an examination, or acquiring a qualification which bears some relationship to your duties, will not be treated as giving rise to a taxable benefit provided that the award is an amount that can reasonably be regarded as a reimbursement of expenses likely to have been incurred in studying for the qualification or sitting the examination.

*Special Increments* - Special increments of salary awarded on passing an examination or other such 'recognition' payments are chargeable as part of your remuneration in the normal way.

### **Exceptional Performance Awards**

*Taxable Benefits* - If your employer has a scheme in place to reward exceptional performance, any awards received under such schemes are taxable benefits.

### Staff Suggestion Schemes

Since the 1st of January 2004 awards made under Staff Suggestion Schemes, are taxable benefits and your employer must operate PAYE and PRSI on the value of the award.

### Long Service Awards

A taxable benefit will not arise in respect of Long Service Awards where the following conditions are satisfied -

- the award is made as a testimonial to mark long service of not less than 20 years,
- the award takes the form of a tangible article(s) of reasonable cost,
- the cost does not exceed €50 for each year of service, and
- no similar award has been made to the recipient within the previous 5 years.

This treatment **does not** apply to awards made in cash or in the form of vouchers, bonds, etc. Where any of the conditions in the paragraph above are not met, PAYE and PRSI must be applied to the value of the award.

## Further information

If you require a more detailed explanation on any matter relating to the taxation of benefits-in-kind, please refer to the 'Employers Guide to operating PAYE and PRSI for certain benefits', which is available from Revenue's website [www.revenue.ie](http://www.revenue.ie), from our Forms and Leaflets service on LoCall 1890 30 67 06 (or if calling from outside ROI 00353 1 6474050), or from any Local Enquiry Office.

**LoCall number for information or assistance** - Should you require any additional information or assistance in relation to the matters dealt with in this leaflet, please phone your Regional PAYE LoCall Service, whose number is listed below:

- Border Midlands West Region - LoCall 1890 777 425
- Dublin Region - LoCall 1890 333 425
- East & South East Region - LoCall 1890 444 425
- South West Region - LoCall 1890 222 425

If calling from outside the Republic of Ireland, please telephone 00 353 (1) 647 4444.

**Legal Disclaimer** - This leaflet gives practical guidance and is not intended to provide a legal interpretation of the legislation involved.



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