

Chapter 15 -The provision of staff meals

Part 05-01-01o

This document should be read in conjunction with section 118 of the Taxes Consolidation Act 1997

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1 Introduction

This Tax and Duty Manual ("TDM") provides guidance on the tax treatment applicable where an employer incurs an expense in the provision of meals for its staff. It also deals with the tax treatment of employer provided meal vouchers.

The TDM outlines the charge to tax, provided by section 118 of the Taxes Consolidation Act ("TCA") 1997, and the statutory exemption provided by section 118(4) TCA 1997.

The manual also provides guidance on certain scenarios where Revenue is willing to accept, that effective from 1 October 2025, a charge to tax will not arise where certain conditions are met.

The terms meals and refreshments are used interchangeably throughout this TDM.

2 The charge to tax

Section 118(1) TCA 1997 is the general charging provision for benefit in kind ("BIK"). It imposes a charge to income tax on expenses incurred by an employer in providing benefits (including meals or refreshments) to employees, where those benefits would not otherwise be taxable as income under any other section of the TCA 1997.

Section 118(4) TCA 1997 specifically provides that section 118(1) TCA 1997 "shall not apply to expense incurred by the body corporate in or in connection with the provision of meals in any canteen in which meals are provided for the staff generally".

Thus, if an employer operates a canteen that is open to all employees, no BIK arises on any free or subsidised meals provided there. A BIK would arise, however, if the canteen facilities are restricted to certain employees.

Where a taxable BIK does arise the running costs must be apportioned, in a reasonable manner, between those employees entitled to use the canteen. The apportioned amount must then be taken into account as notional pay for Income Tax, PRSI and USC purposes.

No cost should be attributed to an employee who specifically indicates that he or she does not wish to, and does not, use the facilities provided.

3 Meals provided to all employees on the employer's premises

Revenue acknowledges that the statutory exemption provided for by section 118(4) TCA 1997 is narrow in a modern working environment, particularly for employers who lack the resources or physical space to provide a traditional canteen.

With effect from 1 October 2025, Revenue is willing to accept that meals brought onto, and consumed, on the employer's premises will not be treated as a taxable BIK, provided they are available to all staff. This arrangement applies regardless of the presence of a designated staff canteen, subject to the conditions outlined in [paragraph 3.1](#) below.

3.1 Qualifying conditions

A charge to tax will not arise where **all** the following conditions are met:

1. the meals are made available to **all** staff,
2. the meals are consumed on the employer's premises.

If these conditions are not met, or the meals do not meet the conditions under section 118(4) TCA 1997 (i.e., meals in a staff canteen – [paragraph 2](#)), the cost incurred in providing the meals is a taxable BIK.

For the purposes of this paragraph "meals" encompasses a wide range of consumable items, including but not limited to:

- food - hot meals, sandwiches, snacks, fruit, biscuits,
- beverages -tea, coffee, water, juice, soft drinks. Alcohol is specifically **excluded**.

Example 1

A hotel has 10 employees and there is no designated staff canteen. All employees are provided with a meal and a soft drink in the hotel restaurant each day they are working.

As the meals are provided to all staff, and are served and consumed on the employer's premises, the cost incurred by the employer will not be treated as a taxable BIK.

Example 2

A retail store with 15 employees offers free breakfast, including tea or coffee, to all the staff in the store.

If the meals are available to all employees and consumed on the employer's premises, the cost incurred by the employer will not be treated as a taxable BIK.

Example 3

An employer with 30 office-based staff provides fruit baskets and non-alcoholic beverages in the board room for 10 senior staff members. There is no operational requirement for providing the refreshments.

As the refreshments are not available to all staff, a taxable BIK arises for the 10 staff that avail of the benefit.

4 Working lunches

Where meals are only available to certain employees, the meals that are provided are generally taxable benefits.

Revenue recognises that some employers may choose to provide meals to only a specific cohort of employees, such as “working lunches” or “working dinners”, to facilitate operational requirements / business needs.

With effect from 1 October 2025, Revenue is willing to accept that the cost of meals provided to employees where a specific operational requirement exists, will not be treated as a taxable BIK, subject to the conditions outlined below.

For the purposes of this paragraph, “meals” encompass a wide range of consumable items, including but not limited to:

- food - hot meals, sandwiches, snacks, fruit, biscuits,
- beverages - tea, coffee, water, juice, soft drinks. Alcohol is specifically **excluded**.

Meals provided under a salary sacrifice arrangement or flexible remuneration scheme are excluded.

4.1 Qualifying conditions

A charge to tax will not arise where **all** the following conditions are met:

1. a specific operational requirement exists (e.g., a meeting where lunch is provided to avoid staff having to leave, staff working after normal hours, etc.),
2. the meals are consumed on the employer’s premises,
3. the total cost per employee does not exceed the domestic subsistence civil service day rate of 5 hours or more but less than 10 hours¹ (“the 5-hour rate”). This rate is currently €19.25 per employee per working day. Where the 5-hour rate daily limit is exceeded, the full cost incurred by the employer will be subject to a charge to tax under normal rules.

Where, tea, coffee, biscuits, etc. are available to all staff on the employer’s premises, this will not impact the daily limit per employee.

¹The Civil Service domestic subsistence rates are available on the Revenue [website](#).

Example 4

A legal practice has a total of 25 staff. Every month, 8 staff members meet on the business premises to discuss the practice workload. The meetings start at 10am and finish at 3pm. Sandwiches for the 8 attendees, at a cost of €12 per person, are ordered from a local café and delivered to the employers' premises.

As the cost of the sandwiches for each person does not exceed the 5-hour rate, there is an operational requirement and the sandwiches are consumed on the employer's premises, the cost incurred by the employer will not be treated as a taxable BIK.

Example 5

In November 2025, in order to complete a stock take, 10 of the 55 staff of a supermarket work overtime until 11:30pm. The employer orders in pizza at 8pm for the 10 employees so the employees do not need to leave the store. The total cost of the pizzas is €165.

As the cost of the pizzas for each person (€16.50) does not exceed the 5-hour rate, there is an operational requirement and the pizzas are consumed on the employer's premises, this will not be treated as a taxable BIK.

Example 6

An IT firm with 12 employees holds a 5-hour coding marathon for a project team of 4 employees. As part of the event, wraps and soft drinks are provided at a cost of €60 in total.

As the cost of the refreshments for each person (€15) does not exceed the 5-hour rate and there is an operational requirement, this will not be treated as a taxable BIK.

Example 7

A manufacturing plant that usually ceases production at 8pm each evening schedules a non-routine night shift for 12 employees to meet production targets, providing dinners costing a total of €300. The cost incurred per employee is €25.

As this amount exceeds the 5-hour rate, a BIK charge to tax arises on the full €25 per employee.

5 Meal vouchers

Prior to 1 October 2025, where an employer provides lunch or meal vouchers to employees a taxable benefit arises. The value of the benefit, which must be taken into account for Income Tax, PRSI and USC purposes, is the face value of the vouchers, less 19 cents per voucher.

The 19 cents per voucher was introduced in the 1960's to cater for employers who could not afford to provide a canteen facility for its employees. This is addressed by the new policy in regard to staff meals on the employer's premises.

Thus, from 1 October 2025 the 19 cents deduction on employer provided meal vouchers no longer applies. The full face-value of meal vouchers is a taxable benefit and must be included in the employee's notional pay for Income Tax, PRSI, and USC purposes.

6 Records and compliance

The general conditions around record keeping apply in respect of the provision of staff meals served anywhere on the employer's premises. TDM [Part 38-03-17](#) outlines the requirements to maintain proper books and records.

For the purposes of the application of the tax treatment outlined in this manual the onus is on the employer to prove that the relevant conditions have been met.

With regard to working lunches ([paragraph 4](#)) such records may include:

- the date the refreshments were provided,
- the total cost of the refreshments,
- the number of employees who availed of the refreshments.

Revenue caseworkers may perform spot checks to verify compliance. Where the relevant daily limit is exceeded, a BIK arises on the entire cost of the meal for the relevant employee(s), and the cost is subject to Income Tax, PRSI, and USC in the normal manner.