Luncheon Vouchers - Amounts to be treated as Emoluments

Part 05-01-10

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This document should be read in conjunction with section 118(4) of the Taxes Consolidation Act 1997

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.
Luncheon Vouchers

The value of luncheon or other meal vouchers provided to employees by an employer is a taxable emolument. The face value of the vouchers (disregarding 19c per voucher) must be taken into account by the employer as notional pay for tax, USC and PRSI purposes.

Canteen Meals

A taxable benefit does not arise in respect of free or subsidised meals in staff canteens where the meals are provided for staff generally. The facility must be available to all employees. Otherwise, a taxable benefit arises. This exemption is provided for in s118(4) TCA 1997.

Where a taxable benefit does arise, the running costs of the canteen must be apportioned by the employer between those employees entitled to use the canteen and the apportioned costs must then be taken into account as notional pay for tax, USC and PRSI purposes in respect of those employees.

PAYE Modernisation

Where a taxable benefit arises, the PAYE modernisation changes that took effect from 1 January 2019 should be noted.

Regulation 12 of the Income Tax (Employments) Regulations 2018 covers the reporting requirements for notional pay (company cars, medical insurance, etc). Notional pay can be reported:

(i) the day the notional payment is made, or
(ii) the earlier of the next pay day or the 31st December in the year.

Employers should include a best estimate of the value of any benefit and include that amount in the relevant payroll submission to Revenue. When the actual value of benefits becomes available, any adjustment should be included in the next payroll submission to Revenue. Employers are also advised to review notional pay regularly (at least quarterly).