



## Fancy a Tax-Free Christmas Bonus?

(First Published: 6 December 2021)

As we are fast approaching the end of the 2021/22 tax year, we thought we should remind you that it is still possible for you take advantage of the trivial benefits exemption for vouchers provided to directors and staff. *Call it a Christmas Bonus!*

In order that a voucher can qualify as a 'trivial benefit' and therefore, be exempt from any tax, **all** of the following conditions must be met:

- The cost of the voucher cannot exceed £50,
- The voucher cannot be exchangeable for cash,
- The director or employee cannot be contractually entitled to the voucher,
- The voucher is not provided in recognition of services performed by the director or employee, i.e., you cannot give a voucher based on performance or attendance; but you can give a voucher just because it's Christmas.

Employees can receive unlimited trivial benefits during the year, but they only remain not taxable if each one does not exceed £50. The same applies to directors but there is an annual limit of £300 per tax year for each director (and their family members or people who live in the same household as the director).

All vouchers can be purchased at the same time, but they must only be given out at the rate of not more than £50 per day, for each individual. Please also note that this is discretionary, i.e., it can be done for one individual or for everyone, it just depends how generous you are feeling.

This is a tax deductible expense for the business but with no tax payable any of the individuals - *Merry Christmas HMRC.*

### CONTACT US

If you have any queries or need any advice, please do not hesitate to contact us on:

#### Liverpool

Tel: 0151 703 1080

Email: [mail@moorenw.co.uk](mailto:mail@moorenw.co.uk)

[www.moore.co.uk/liverpool](http://www.moore.co.uk/liverpool)

#### Manchester

Tel: 0161 832 4281

Email: [info@moorenw.co.uk](mailto:info@moorenw.co.uk)

[www.moore.co.uk/manchester](http://www.moore.co.uk/manchester)

Moore NW publish articles to assist clients keep up to date with issues that we think will most affect them. Please email us with ideas of any subjects that you would like us to cover.