

New Benchmark Subsistence Rates

Employers are reminded that new rates for the payment of 'day subsistence' apply from 6 April 2009.

The new rates are contained in HM Revenue and Customs (HMRC) Brief 24/09. They permit employees who travel on business to be paid subsistence expenses of a daily maximum amount without the need to deduct Income Tax and National Insurance Contributions.

The statement needs to be read with care before payments are made – there are a number of limitations. Where the actual expense is less than the benchmark amount, only the actual expense may be reimbursed.

Assuming the necessary conditions are met and the arrangements are agreed with HMRC, the following may be reimbursed:

- Breakfast £5
- Other Meal £5 if absence from home/work is more than 5 hours (£10 if absence from home/work is more than 10 hours).

For more details, see the HMRC website at <http://www.hmrc.gov.uk/briefs/income-tax/brief2409.htm>.

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