

Employees' Subsistence Expenses

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This manual explains the reimbursement of Subsistence Expenses to employees (including directors).

Tax and duty manual [Part 05-02-05](#) explains the reimbursement of motoring/bicycle expenses to employees.

Revenue's Statement of Practice  [SP – IT/2/2007](#) (PDF, 157KB) is a more detailed Revenue publication on the subject of the reimbursement of employees' expenses of travel and subsistence.

1. Introduction

In practice, two scenarios will generally arise as regards subsistence:

1. the employer does not reimburse the employee, or
2. the employer reimburses the employee,

in respect of the cost of the subsistence when an employee performs the duties of his or her employment while temporarily away from his or her normal place of work (or is working abroad on a foreign assignment).

Regarding 1 - an employee may claim a tax deduction in respect of the cost of subsistence expenses necessarily incurred when the employee performs the duties of his or her employment while temporarily away from his or her normal place of work (or is working abroad on a foreign assignment) by submitting a claim to his or her Revenue office.

Regarding 2 - this manual sets out the circumstances under which such reimbursement may be made free of tax.

2. Normal place of work

The 'normal place of work' is the place where an employee normally performs the duties of his or her employment. In most cases, this should not give rise to difficulty.

The employer's business premises will be regarded as the normal place of work for an employee where:

- travel is an integral part of the job involving daily appointments with customers, or
- the duties of the employment are performed at the various premises of the employer's customers but substantive duties are also performed at the employer's business premises.

An employee's home would not be regarded as the normal place of work unless there is an objective requirement that the duties of the office or employment must

be performed at home. It is not sufficient for an employee merely to carry out some of the duties at home.

Usually, the employer will provide the facilities necessary for the work to be performed at the business premises. Even where an employee has to do some work at home or to keep some equipment at home, the place where he or she resides is a matter of personal choice and it would not be regarded as a place of work.

3. Business Journeys

A business journey is one in which an employee travels from one place of work to another place of work in the performance of the duties of his or her employment but will generally involve a temporary absence from the normal place of work.

Journeys between an employee's home and place of work (and vice versa) **are not business journeys** and any reimbursement of subsistence expenses relating to such journeys is taxable.

Where an individual employed in Ireland is obliged to travel to a foreign location to temporarily perform the duties of his or her employment there, both the outward and the return journey home may be regarded as business journeys (see [Schedule based on current Civil Service Subsistence Rates for absences outside the State](#) for subsistence rates that may be paid tax free).

4. Subsistence expenses where business journeys involve travel directly from / to home

Where an employee proceeds on a business journey directly from home to a temporary place of work (rather than commencing that business journey from his or her normal place of work) or returns home directly, the subsistence expenses which may be reimbursed free of tax should be calculated by reference to the lesser of subsistence expenses attributable to the journey between:

- home and the temporary place of work, or
- the normal place of work and the temporary place of work.

5. Reimbursement by employer by way of flat-rate allowances or vouched expenses

Where an employee performs the duties of his or her employment while temporarily away from his or her normal place of work or is working abroad on a foreign assignment, allowable subsistence expenses can be reimbursed tax free on the basis of either:

- acceptable flat-rate allowances (see [6](#) below), or
- actual expenses which have been vouched with receipts (see [7](#) below).

Time spent at the normal place of work and on journeys between home and the normal place of work do not reckon as a qualifying absence.

6. Acceptable Flat-Rate allowances

There are two types of flat-rate allowance schemes which are acceptable for tax purposes. In both cases, a satisfactory recording and internal control system must be operated by the employer - see [Records to be kept - Audit of Records](#).

Scheme 1

This provides for the reimbursement of subsistence expenses up to the level of the prevailing schedule of Civil Service rates where the employee bears the cost of the relevant subsistence expenses (including accommodation and meals, as appropriate).

This scheme may be used without specific Revenue approval.

The schedule of rates based on the current relevant Civil Service subsistence rates for absences within the State are set out hereunder. Details of Civil Service subsistence rates for certain foreign countries are available from any Revenue office.

Scheme 2

This provides for the reimbursement of subsistence expenses based on any other (that is, other than the Civil Service rates) schedule of rates and related conditions which do no more than reimburse the employee for actual expenditure incurred. Revenue approval is required for such a schedule.

7. Reimbursement by reference to actual costs incurred

Where subsistence expenses are reimbursed by employers to employees on the basis of actual costs incurred, then the amount so reimbursed will generally not exceed the amount which would be payable in respect of the allowable business trips under the prevailing schedule of Civil Service rates.

Where an employee's actual subsistence expenses are reimbursed free of tax by an employer, the question of an income tax claim by the employee in respect of those expenses does not arise.

8. Schedule based on current Civil Service Subsistence Rates for absences within the State

The following schedule of rates has been agreed under the Scheme of Conciliation and Arbitration for the Civil Service.

Table of Domestic Subsistence Rates effective from 1 April 2017				
Overnight Allowances			Day Allowances	
Normal Rate	Reduced Rate	Detention Rate	10 hours or more	5 hours but less than 10 hours
€133.73	€120.36	€66.87	€33.61	€14.01

Table of Domestic Subsistence Rates effective from 1 July 2015 to 31 March 2017				
Overnight Allowances			Day Allowances	
Normal Rate	Reduced Rate	Detention Rate	10 hours or more	5 hours but less than 10 hours
€125.00	€112.50	€62.50	€33.61	€14.01

Table of Domestic Subsistence Rates effective from 5 March 2009 to 30 June 2015					
	Overnight Allowances			Day Allowances	
	Normal Rate	Reduced Rate	Detention Rate	10 hours or more	5 hours but less than 10 hours
Class A	€108.99	€100.48	€54.48	€33.61	€13.71
Class B	€107.69	€92.11	€53.87	€33.61	€13.71

8.1 Vouched Accommodation Domestic Subsistence Rates (for use in Dublin only)

Effective from 1 April 2017

Accommodation		Meals
Vouched cost of accommodation up to €133.73	Plus	€33.61

Notes on Schedule:

There are detailed rules and conditions governing the payment of subsistence allowances in the Civil Service. The following notes are indicative of some of the relevant provisions

(i) Class of Allowances (discontinued with effect from 1 July 2015)

The rate of allowance depends on the grade of officer. The approximate grade levels, and present minimum annual salaries, are broadly as follows:

Class A:

Assistant Principals, higher grades and equivalents. All grades with the same salary scales as Engineer Grade 11 (Civil).

Full PRSI - €69,659

Modified PRSI - €66,179

Class B:

Higher Executive and Executive Officers, Administrative Officer, Staff Officer, whose pay is above the maximum of the Clerical Officer, Clerical Officers on and above the CO standard scale maximum, and equivalents.

Full PRSI - €37,536

Modified PRSI - €35,660

(ii) Overnight Allowance**Overnight Allowance (over 24 hours absence)**

An overnight allowance covers a period of up to 24 hours from the time of departure, as well as any further period not exceeding 5 hours, which is necessarily spent overnight at least 100km away from the employee's home and normal place of work.

Where an absence exceeds 24 hours, a day allowance at the appropriate rate may be paid only if the last period of 24 hours is exceeded by 5 or more hours.

Normal Rate

This is payable for absences up to 14 nights.

Reduced Rate

This is payable for each of the next 14 nights.

Detention Rates

This is payable for each of the next 28 nights.

Absences over 56 Nights

Employers should make application to the appropriate Revenue office with a view to agreeing the rate to be applied.

The period of subsistence at any one location is limited to six months. Any departure from this position e.g. for continuation of the subsistence period for a short duration, is considered on the circumstances of the individual case.

Continuous Absence

Certain absences from a particular temporary location would not be regarded as breaking the continuity of stay for the purpose of reducing the subsistence allowance. These absences would include absences of not more than two nights due to a return on official business to the employee's normal place of work, plus any nights of a weekend or public holidays or return visits home or annual leave. These absences would not, of course, qualify for subsistence allowance.

Teamworkers

Where employees are working as team members and it is necessary for junior team members to stay in the same accommodation as senior team members who qualify for a higher rate of subsistence, such higher rate may also apply to the junior team members.

(iii) Day Allowances:

- 5 to 10 hours absence
- over 10 hours absence

A day allowance applies to continuous absence of 5 hours or more, provided the absence is not at a place within 8 km (within 5 km prior to 1 July 2015) of the employee's home or normal place of work. There are two categories of day allowance, namely, 5 to 10 hours absence and over 10 hours absence.

9. Schedule based on current Civil Service Subsistence Rates for absences outside the State

Details of quantum of Civil Service subsistence rates for certain foreign countries are available from any Regional Revenue Office.

The Civil Service schedule of rates may be applied in the following manner in respect of temporary (up to six months) absence:

Civil Service rates	
Period of Assignment Abroad	% of Subsistence Rate for relevant location
First month	100%
Second and Third month	75%
Fourth, Fifth and Sixth month	50%

The rates may be used only in respect of the reimbursement of allowable subsistence expenses where the employee is working abroad on a foreign assignment. 'Working abroad on foreign assignment' means that the employee is actually performing the duties of the employment abroad for a temporary period. Where actual vouched expenses exceed the flat rate allowances such vouched expenses may be used instead of flat rate allowances.

Long term Absences

For long term absences (where assignment period is greater than six months), reimbursement of allowable subsistence expenses may be made in the following manner:

Allowable subsistence expenses	
Period of Assignment Abroad	Allowable Subsistence
First month of assignment (to facilitate the employee obtaining self catering accommodation)	Up to the Overnight Rate
Remainder of Assignment	Up to the cost of reasonable accommodation plus 50% of the day rate (10 hours) for the location

Any departure from the above is only considered having regard to the particular circumstances of the individual case. The position as outlined is, of course, only relevant to the extent to which the employee remains within the charge to Irish Tax.

10. Records to be kept - Audit of records

As regards the reimbursement of expenses based on an acceptable flat-rate allowance, the employer must retain a record of all of the following:

- the name and address of the employee
- the date of the journey
- the reason for the journey
- the distance (km) involved
- the starting point, destination and finishing point of the journey, and
- the basis for the reimbursement of subsistence (for example, an overnight stay away from an individual's normal place or work).

Where the employer reimburses actual expenses vouched by receipts, he or she must retain such receipts, together with details of the travel and subsistence.

The period of retention of records is 6 years after the end of the tax year to which the records refer.

If an employer has doubts about the adequacy of records maintained, he or she can contact Revenue.