

October 7, 2014
2014-092

flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

United Kingdom – New Travel and Subsistence Tables Published

by Marc Burrows, Steve Wade, and Rachel Beecroft, KPMG LLP, London (KPMG LLP in the United Kingdom is a KPMG International member firm)

The U.K. tax authority has published new tables showing the amounts that can be reimbursed to employees for travel and subsistence when they travel outside the U.K. for business.¹ The new tables, which took effect from 1 October 2014, set scale rates for reimbursement.

Why This Matters

These tables are widely used by employers in the United Kingdom. The clarity the tables provide as to the amounts that can be reimbursed on a tax- and NIC-free basis is generally welcomed by those who use the tables. Employers should refer to these for any new payments made.

Background

HM Revenue & Customs (HMRC), the U.K. tax authority, publishes tables showing the amounts that can be reimbursed to employees for travel and subsistence when they travel outside the U.K. for business. The reimbursement is tax- and NIC-free.

The Changes in Detail

The tables provide benchmark figures on a country-by-country basis. Information for the larger cities in many countries is also provided. Where these rates are used, employers need to establish that the city information is referred to where relevant.

The tables provide the following information:

- a “room rate” per night;
- individual rates for meals including breakfast where it is not included in the room rate;
- a “total residual rate” – designed to cover the cost of all meals in a 24-hour period together with the cost of daily travel;
- a “24-hour rate” which is a combination of the “room rate” and the “total residual rate.”

There are also subsistence rates published, with the amount varying depending on the length of time the employee is in the country concerned.

There are a few countries where information is not available – in these cases the table shows “ACTUALS + £4 PER DAY.” Tax- and NIC-free reimbursement for these countries therefore will be the actual accommodation and subsistence expenses, plus £4 per day to cover travel costs.

Most of the table rates are denominated in the currency local to the country concerned. Some rates are shown either in U.S. Dollar (\$) or Euro (€). For some countries, a combination of currencies is given.

KPMG Note

The increase in scale rates is meant to keep the tables in line with inflation.

Although some employers choose to reimburse actual costs, many use the scale rates either to determine the amounts to reimburse to employees or to determine the amounts that can be reimbursed as a tax- and NIC-free payment.

Footnote:

1 See: <https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk> .

* * * *

The information contained in this newsletter was submitted by the KPMG International member firm in the United Kingdom.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our GMS practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com> .