

November 5, 2015
2015-133

flash Alert

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

United Kingdom – No Changes in Travel and Subsistence Tables Just Published

by Colin-Ben Nathan, Rachel Beecroft, and Alison Hobbs, KPMG LLP, London (KPMG LLP in the United Kingdom is a KPMG International member firm)

Her Majesty's Revenue & Customs (HMRC), the U.K. tax authority, has recently announced that there will be no change to the figures in the tables on travel and subsistence expenses for the year commencing 1 October 2015.¹

Every year, HMRC publishes updates to the tables showing the amounts that can be reimbursed to employees for travel and subsistence when they travel outside the U.K. for business. As noted, this year, there are no changes.

Why This Matters

The tables provide welcome clarity to employers on the amounts that can be reimbursed free of U.K. income tax and National Insurance contributions in relation to travel outside the U.K. for business.

Employers should continue to refer to the figures published in [October 2014](#) for relevant payments from October 2015.

Background

The travel and subsistence tables provide benchmark figures on a country-by-country basis, and also include information for the larger cities in many countries. Information provided in the tables includes:

- A 'room rate' per night;
- Individual rates for meals (including breakfast where this is not already included in the room rate);
- A 'total residual rate' that covers the cost of daily travel plus all meals in a 24-hour period; and
- A '24-hour' rate (a combination of the room rate and total residual rate).

Announcement of the New Tables and the Ongoing Review

The recent announcement comes in the context of a wider ongoing review by the U.K. tax authorities of the rules surrounding travel and subsistence.² The latest stage of this – a discussion paper published in September – concentrated on relief for U.K. travel and subsistence, but did note that the U.K. government intends to include international travel “*at a later stage in the review, once an initial framework is in place.*”³ One possible outcome might be that a (simplified) version of these rates will be incorporated into legislation in future.

KPMG LLP (U.K.) Note: Next Steps

Employers should continue to refer to the October 2014 document for the year commencing 1 October 2015.

Although the current consultation into the wider travel and subsistence rules does not focus specifically on the international rules, the U.K. government has stated that it would be happy to consider any comments that are submitted at this stage. This phase of the consultation process closes on 16 December 2015 and we are likely to see a response from the U.K. government in early 2016 (possibly alongside the 2016 Budget). This may include more detailed proposals for changes to the treatment of non-U.K. travel and subsistence.

Footnotes:

- 1 See: <https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk> .
- 2 See: <https://www.gov.uk/government/consultations/travel-and-subsistence-review> .
- 3 See: <https://www.gov.uk/government/consultations/travel-and-subsistence-framework-discussion-paper/travel-and-subsistence-discussion-paper> .

* * * *

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

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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> .