

STAFF PARTIES

Are you planning a party for your employees? Are you aware of the tax implications?

The good news is that unlike entertaining customers, reasonable levels of employee entertainment are an allowable cost against the profits of the business.

What about the employees themselves? Is it a perk of their jobs and will they be subject to tax?

Generally as long as the total costs of employee annual functions in a tax year are less than £150 per head there will be no tax implications for the employees themselves. In considering this limit make sure you have included all the costs, which may comprise not only the meal but also any drinks plus any transport you provide.

If the costs are above the £150 per head limit then do get in touch so we can advise you how best to deal with them.

Internet Link: [HMRC guidance](#)