



Voucher – Small Benefit Policy

Policy owner Finance Office **Approval date and body** UMT on 27-2-2024

1. Purpose

This policy is introduced to ensure that UCO and its wholly owned subsidiaries have a policy which provides clear guidance in relation to the awarding of vouchers and other small benefits. The policy will also ensure that the University and its subsidiaries are fully compliant with the relevant tax legislation and government guidance.

It is unusual for UCO employees to receive vouchers or other non-cash benefits. The University's Hospitality and Entertainment Policy does not permit University funds to be used to purchase gifts for faculty or staff. While the University has not, as a rule, provided such benefits to its employees in the past, no central record has been maintained which would provide a full listing of all benefits which may have been provided across the university in any one tax year. Legislation introduced on 1-1-2024 now places significant reporting responsibilities on employers in respect of the reporting and taxation of such benefits and this policy now sets out the University's position on such benefits.

2. Enhanced Reporting Requirements

Under Revenue's Enhanced Reporting Requirements (ERR), introduced on 1-1-2024, employers must report through ROS all reportable small benefits provided to employees on or before the date on which they are given to them.

This places a responsibility on all employers including UCO to strictly control, record and report all benefits provided to its employees.

Under tax legislation, UCO must ensure that if a voucher or other benefit is awarded to an employee, the following criteria must be met:

- The benefit must qualify as tax-free small benefit as outlined by Revenue.
- The benefit must be reported to Revenue on or before the benefit is provided to the employee.

The Revenue requirement for real-time reporting of all non-cash small benefits provided to employees represents a significant reporting challenge for all employers but particularly for large employers with devolved purchasing systems.

3. Scope

This policy is primarily concerned with vouchers but also includes other benefits such as hampers, wine or other small benefits which may be provided to an employee by an employer. This policy sets out the position on small benefits for employees and non-employees.

4. Revenue's Small Benefit Exemption

Revenue permits, under its Small Benefit Legislation, non-cash benefits of up to €1,000 to be given by employers to employees in any one tax year. These benefits can consist of vouchers or all other types of small benefits which might be provided by an employer to its employees.

The following Revenue rules apply in relation to small non-cash benefits provided by an employer to an employee:

- The benefit cannot be given as part of a salary sacrifice arrangement.
- The benefit cannot be given as a form of remuneration for work undertaken.
- An employee may receive up to two benefits not exceeding a total of €1,000 in one tax year. If a third or further benefits are given, these will be taxable under PAYE.

5. Employee Voucher/ Small Benefits

Under this policy, the University does not permit the awarding of a voucher or other small benefit to any UCD employee. Therefore, vouchers for employees should not be purchased through Eprocurement or purchased directly by employees and claimed through staff expenses.

6. Reporting of Vouchers/Benefits Awarded

Under the terms of this policy, no benefits will be reportable by the University as none will be awarded to employees.

7. Vouchers Given to Non-Employees

Vouchers can be given to non-employees in recognition of certain contributions made to UCD.

At present they do not need to be reported to Revenue but they may be taxable in the hands of the recipient. Revenue's small benefit exemption applies in respect of benefits provided from an employer to an employee rather than as a general concession to all voucher recipients.

As with vouchers/benefits to employees, vouchers cannot be given to non-employees as a form of remuneration in respect of work undertaken or as a substitute for taxable remuneration.

Vouchers to non-employees can be awarded for the following reasons:

- To acknowledge a pro bono contribution to UCD
- To acknowledge participation in UCD medical trials or surveys, etc.
- As student awards or incentives
- As prizes in a UCD run competition

8. Limit on Vouchers Awarded to Non-Employees

The limit on any voucher which can be given to a non- employee is €100.

9. Purchase of Vouchers for Non-Employees

Vouchers for non employees must only be purchased through approved suppliers through Eprocurement and the purchase order should clearly document the name of the individual(s) receiving the voucher(s) and the reason for giving the voucher. In cases where a number of low value vouchers are being purchased, the group receiving the vouchers and the reason for awarding the voucher should be identified on the on the purchase order.

10. Related Documents

- Revenue's Small Benefits guidelines
- Revenue's ERR guidelines
- UCD's Hospitality & Entertainment Policy

11. Version History

Approved by the UMT on 27-2-2024.