

# USING THE SMALL BENEFIT EXEMPTION SCHEME TO DEAL WITH WAGE PRESSURE REWARD UPTO €1000 TAX FREE



Tullamore  
& District  
Chamber  
Advancing business together



Tullamore  
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Energy led inflation and an ongoing skills shortage has created an upward wage pressure for many employers. There is much uncertainty as to what portion of increased costs are temporary. Planning for wage increases is difficult and something you would not like to have to revisit again in the short term.

Many employer members are considering using the **Small Benefit Exemption** scheme to address wage pressure in the first instance. This offers a cost-effective way to give a *substantial tax-free financial benefit* to your employees.



The COVID emergency period and this years budget has brought two substantial changes:

- The limit of the benefit has been raised to €1,000 per employee (from €500) per year.
- The benefit can now be given at 2 different times (previously only once per year).

As before the benefit must be non-cash in the form of a voucher. There is no Income Tax, PRSI or USC due if you stay within the rules.

There are substantial savings to the employer using this approach. To give an employee the cash equivalent €1000 net pay would otherwise cost the employer over €1100 in Tax (at the top rate), PRSI, USC.

Tullamore & District Chamber of Commerce and Tullamore Credit Union continue to offer **QUIDS Shopping Vouchers** as a local solution. There are no costs or fees to employers for purchasing vouchers which can be redeemed in a large number of outlets around Tullamore.

For further information please email [info@tullamorechamber.com](mailto:info@tullamorechamber.com) or see [www.tullamorechamber.com](http://www.tullamorechamber.com)