

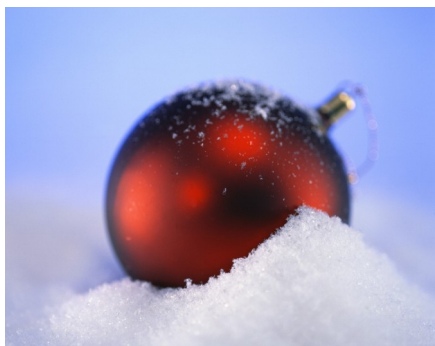
# CHRISTMAS PARTY DEDUCTIONS

## It's My Christmas Party, with all that stuff the gifts and holly..... and tax deductions make things jolly!

Christmas Parties and Seasonal Office functions can be a good idea, but there are always a few articles in the New Year press about people injuring themselves photocopying their bottoms, being groped under the mistletoe, and so on.

Many businesses like to show their gratitude for their employee's efforts throughout the year and to generally fall in with the Christmas spirit, and this seems an even better idea since it is almost certainly tax-deductible!

Under current tax law employers are entitled to spend up to £150 per employee on annual staff events. Actually that's "per head" so guests should be ok, but not customers or suppliers. There is no benefit in kind on staff entertainment up to this sum provided it is spent on annual events, which could be a single Christmas party or more than one event. The functions must take place on a regular, annual, basis. Employers are also able to present employees with a small gift at Christmas, which might be a box of chocolates or a bottle of wine ... of course, here you begin to have to think "HRM" rather than HMRC in case giving alcohol offends. We confirmed with the Revenue a few years ago that giving a turkey would also fall within the "trivial benefits and seasonal gifts" category, but beware of vegetarians.



Lunchtime events can often work well because daytime events limit childcare issues, as well as the inherent complexity of inviting and accommodating non-employee spouses and partners and so on.

Whether the "do" is on site or at an outside venue, and whether during normal office hours or not, the employer can often be liable for employees' actions, so when the invitations go out, we'd suggest that you mention that the normal office rules and standard of conduct apply.

If you happen to be a "one man band" you can still have an annual event and take your spouse or significant other to dinner, the theatre, or whatever (the legislation does not actually limit you to only one guest, but let's be jolly without provoking Ebenezer and his friends at HMRC).



## Have a great Party, a Happy Christmas, and a Prosperous New Year!

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