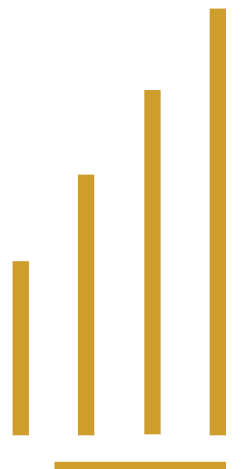


STUDIO DE GIORGI e ASSOCIATI

Dottori Commercialisti – Revisori Legali
via Motta 10, Milano, Italy

LUNCHEON VOUCHERS



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INTRODUCTION



INTRODUCTION

Luncheon vouchers are a **tool** that allows employees to take advantage of a **tax-free portion of their salary** in the form of vouchers, which can be used to pay for meals and groceries.

They are typically awarded by employers to employees as part of their **total compensation**, or as an alternative to a pay raise.

BENEFICIARIES

They can be granted to workers that have an employment contract, whether on the basis of an **employer-employee contract** or of a **collaboration one***.

They can be granted:

- to **all** employees;
- to homogeneous **categories** of employees;
- irrespective of the fact that employees work **full-time or part-time** (it further does not matter whether a part-time worker holds a contract that does not include lunch break);
- to **permanent or temporary** workers.

* Ministerial Decree 7 June 2017, n. 122, art. 4

BENEFICIARIES

They can be granted, without prejudice to the special benefits they entail, whether employees work in the office or in “**smart working**”^{*} mode.

The same favorable treatment also applies to those who work **shifts**, **stagiaires** or **apprentices**.

The legislation that regulates meal vouchers establishes that this benefit can be granted to workers who hold an “employment relationship”, as well as to those who have established a collaboration relationship, not necessarily of a subordinate type, with the entity that pays the meal vouchers.

^{*} Tax question 123/2021

GRANTING OF VOUCHERS

Vouchers can be granted – with tax benefits described above – **during days when employees have actually been at work.**

An entity can decide to grant the vouchers irrespective of the above rule (i.e. if an employee is on vacation or asks for a sick leave permit, or other type of leave).

The recipients can however **not take advantage** of the **tax benefits** described below (not even in the case of “Law 104” leave, nor if they have been on layoff or strike).

TAX BENEFITS - EMPLOYEES

As per art. 51, para. 2, letter c) of our income tax law*, **meal vouchers don't add up to the formation of the recipients' tax base**, up to the total **daily amount of 4 euros - increased to 8 euros in the case of e-vouchers**** - if granted to the all workers or homogeneous categories thereof.

Vouchers can be granted in – virtually - any amount.

Sums in excess of the thresholds mentioned above **will not be treated as per the special exemption**, and will therefore be treated as any other salary item (i.e. subject to income tax).

* DPR 22 December 1986, n. 917

** updated as at 2023

DEDUCTIBILITY

The **cost** linked to the issuing of an invoice by the luncheon voucher company, born by the granting company, is **100% deductible** in the granting company's yearly P&L.

The amount of **VAT** on the vouchers is also **fully deductible** within the VAT return of that year.

Albeit being in the same “area” as salary, no social security cost is levied on top of the cost of the vouchers.

USE OF LUNCHEON VOUCHERS

Luncheon vouchers are accepted in many **restaurants, bars, supermarkets,** and other **businesses** that **provide food.**

Typically, **no more than 8 vouchers can be spent per transaction and per day, simultaneously.**

The logo or name of the luncheon voucher service should be clearly displayed at outlets that accept them.

They can be used to purchase food and beverages, and cannot be converted to cash; in case of purchase of groceries, vendors will typically separate products that can be purchased with luncheon vouchers (i.e. food and drinks) from those that are not (other items, such as cleaning products, alcoholic beverages, etc.).

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