

Trivial Benefits in Kind and the Advantages to Employers

It is important for employees to feel valued in the workplace. A lot of the time, it is the little things that employers can provide to their staff that have the most substantial impact. One such 'little thing' is the concept of trivial benefits in kind. Trivial benefits are best described as small 'token gifts' that are given to staff by their employers.

Trivial benefits include such things as chocolates, wine, gift vouchers, tickets to the theatre, or a team outing for lunch or dinner. These gifts meet the trivial benefit criteria as long as:

- The gift is worth £50 or less
- The gift is not cash
- It isn't a reward for work or performance
- It isn't in the terms of an employee's contract

The main distinction of trivial benefits in kind is that they should not add value to an employee's salary. They can also not be given in lieu of payment.

Advantages of trivial benefits in kind

As well as the boost to employee wellness and morale, trivial benefits in kind also provide tax advantages for employers. Below are the benefits and reasons for employers to consider adding trivial benefits in kind to their working culture.

Improved employee morale and engagement

Regular trivial benefits serve as consistent reminders to employees that they are appreciated. These small gestures can significantly boost morale, leading to increased job satisfaction and productivity. When employees feel valued, they are more likely to engage with their work actively and maintain a positive attitude towards their employers and the business in general.

Enhancing employer's reputation

Providing trivial benefits can positively impact an organisation's reputation, helping it to stand out as an employer that cares about its employees' well-being. This increased employer branding can be instrumental in attracting and retaining top talent in the competitive job market.

Continued...

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Tax benefits

From a purely financial perspective, trivial benefits in kind are exempt from tax, National Insurance, and reporting to HMRC. This tax efficiency makes trivial benefits a cost-effective way for employers to reward their staff. However, if benefits are part of a salary sacrifice arrangement, then they won't be exempt from tax and will need to be reported on a P11D form.

Employee wellness

Trivial benefits can also contribute to the overall wellness of employees. For instance, offering a yoga class or a fitness tracker can encourage employees to take care of their physical health. Similarly, gifting a book or sponsoring a hobby class can contribute to mental wellness. A healthy employee, both physically and mentally, is likely to be more productive and less prone to taking sick leave. The cost to the business is relatively small and is tax-exempt, so it is well worth considering if you haven't already done so.

Get in touch with your usual contact at Galloways for help or advice on Trivial Benefits in Kind.