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& Customs

HM Revenue & Customs
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Date 24 May 2017
Our ref HEM/WRA/CIJC
Your ref
NI Number

Dear Gerry,

Construction Industry Joint Council Working Rule Agreement – Daily Fare and Lodging Allowances

Thank you for your e-mail dated 11 May 2017 concerning the uprating of the non-taxed lodging and fare allowances effective from 26 June 2017.

I have agreed the increases of the two elements of the non- taxed subsistence allowance:

1. Non taxed subsistence (lodging) allowance increased to £37.12 per night
2. Non taxed fare allowance increased in line with the table of rates attached to your e-mail

You will note that I have agreed this year's increases in line with March RPI (3.1%). However, I do have concerns about the continued use of the RPI index to calculate future increases. Especially, as in many contexts the Government is now using the CPI as the yardstick for inflation-related increases and CPI increases are often (although not always) lower than RPI increases. The reason for this is that the tax and NICs treatment relating to certain travel and subsistence payments made under the terms of WRAs is a non-statutory administrative arrangement that is used in place of the statutory rules. This treatment is not intended to be concessionary and it is for this reason that HMRC deliberately does not adopt a generous approach to agreeing the level of payments that can be made free of tax under the WRA tax and NICs arrangements.

I will update our guidance with these agreed changes prior to 26 June 2017.

Yours sincerely

Helen Markham

Information is available in large print, audio and Braille formats.
Tex Relay service number - 18001



Technical Adviser

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