

## Publication

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# MEAL VOUCHERS

The employer's contribution to meal vouchers up to a maximum of 8.40 euros is exempt from tax, provided that the employer does not have a canteen and requires from the employee a personal contribution of 2.80 euros.

The tax administration (Administration des Contributions Directes - ACD) has confirmed this week that it is planned to increase the value of meal vouchers from 8.40 euros to 10.80 euros, as part of the current tax reform that should be applicable as from 1st January 2017.

The value of the benefit in kind (i.e. the participation of 2.80 euros of the employee benefiting from meal vouchers) will remain unchanged.

However, the employer will not be obliged to increase its participation to the new maximum amount of 10.80 euros. He may therefore decide to maintain the present value of meal vouchers that are issued.

### **Examples given by the ADC:**

- Value of the voucher: € 10.80 - Contribution of the employee: € 2.80

The employee's benefit equal to the difference between 10.80 and 2.80 = 8.00 euros is exempt from tax.

- Value of the voucher: € 12.00 - Contribution of the employee: € 2.80

The employee's benefit of 9.20 euros (12.00 - 2.80) is taxable as regards the amount of 1.20 euros (12.00 - 10.80) and is exempt from taxation up to 8.00 euros (10.80 - 2.80).

The full text of the ACD Newsletter of 19 December 2016 is available under the following link <http://www.impotsdirects.public.lu/>.

This topic and many other news as regards wages and other salaries (benefits in kind, taxation of cross-border commuters, VAT of directors, index, etc.) will be discussed at a conference organized by Fedil on 19 January 2017 (in French language). The detailed Save the date is available [here](#).

For further information, do not hesitate to contact your advisors [Patricia Hemmen](#) or [Marc Kieffer](#).