

[05-02-08] Expenses of Local Authority Members

Revised May 2016

1. Introduction

The Minister for the Environment, Community and Local Government has statutory responsibility for setting the terms of the system of expenses payments for local authority members. The rules and procedures governing such payments are set out in the Local Government (Expenses of Local Authority Members) Regulations 2014 (S.I. No. 236 of 2014).

The Regulations provide for the following expenses payments:

- a composite annual expenses allowance in respect of travel, subsistence and other expenses incurred in the performance of the functions and duties of a member within the functional area of a local authority,
- travelling and subsistence expenses allowances in respect of travel and subsistence expenses incurred in respect of certain meetings etc., outside of the functional area of a local authority, and
- an annual mobile telephone expenses allowance in respect of mobile telephone expenses reasonably and necessarily incurred in connection with the performance of a member's functions and duties.

The purpose of this instruction is to set out the tax treatment to apply in respect of expenses payments made in accordance with the Regulations.

2. Tax Treatment

In view of the terms and conditions governing the expenses payments and the unique nature of the duties of local authority members, the payment of-

- (a) the composite annual expenses allowance,
- (b) travelling and subsistence expenses allowances, and
- (c) the annual mobile telephone expenses allowance

in accordance with the terms of the Regulations, may be regarded as -

- no more than reimbursing members for overall costs incurred, and
- having been incurred wholly, exclusively and necessarily in the performance of the duties of the office held

and, accordingly, the payments may be made by the local authorities without deduction of tax.