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Overtime meal allowances

The Tax Office accepts an overtime meal expense claim of up to \$24.95 for 2009-10 to be reasonable (TD 2009/15).

Expenses incurred for food or drink can be claimed without written evidence if:

- an overtime meal allowance has been paid
- the allowance is to enable the employee to buy food or drink in connection with overtime
- it is paid or payable under a Commonwealth, State or Territory law, or under an Award, order, Determination or industrial agreement in force under such a law, and
- the total of the claim is considered reasonable by the Tax Office.

Important: A claim can only be made if the allowance is included in assessable income. If an 'overtime meal allowance' is incorporated into salary under a workplace agreement, the 'allowance' forms part of salary whether or not overtime is worked. No allowance is paid in this circumstance and no deduction is allowable.

Note: According to the Tax Office PAYG Bulletin No.1, valid from 1 July 2000, if an overtime meal allowance paid to an employer is no higher than the reasonable amount the employer is not required to show the allowance on the payment summary.

WARNING: To be eligible for a claim, overtime meal allowances must be paid under a law, an award or agreement. A deduction is allowable provided the expense claimed was actually incurred to buy food or drink in connection with overtime worked. It does not include allowances negotiated privately between an employer and employee or amounts forming part of an employee's normal salary and wages.

[Extracted from Taxpayers Australia, 2009 & 2010 Tax Summary, Chapter 11 - General deductions.]