

### The VAT laws changed on 1st January 2019



Length of service awards	£25,000
Employee incentives	£15,000
Partner rewards	£10,000

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Initial Outlay £50,000 incl VAT

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Claim back VAT £10,000

### The Verdict

Company



**Very Happy:**  
They could give away £50,000 but it would only cost £40,000.

Recipient



**Quite Happy:**  
As they receive vouchers but they can only be used in certain shops.

### Now (From 1st January 2019)

You can now claim VAT back on vouchers so £50,000 of vouchers will cost £50,000

### The Verdict

Company



**Neutral:**  
Gives recipients £50,000 in vouchers and pays £50,000 for them.

Recipient



**Quite Happy:**  
As they receive vouchers but they can only be used in certain shops.

### The end of vouchers?

**60%**

of employees believe that quality benefits are even more important than job security when it comes to overall job satisfaction



**Vouchers:**  
Restricted for use in certain shops



**Prepaid Cards:**  
Use in millions of locations that accept:



### The Verdict

Company



**Very Happy:**  
While they still pay £50,000 for £50,000 of value on prepaid cards, the company is feeling pretty good about giving people a reward they like more than vouchers.

Recipient



**Very Happy:**  
As they receive reward cards they can use anywhere that accepts Mastercard™ instore or on online.

\* To clarify, VAT cannot be claimed on the new definition of Single Purpose Vouchers (SPVs)

\*1 Employee Job Satisfaction and Engagement Report 2016 by the Society for Human Resource Management

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