

Chapter 9 - The provision of work related equipment and supplies

Part 05-01-01i

This manual should be read in conjunction with Sections 116, 118 and 119 of the
Taxes Consolidation Act 1997

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1. Introduction

This manual outlines the tax treatment, as set out in section 118 of the Taxes Consolidation Act 1997 (TCA 1997), applicable where an employer provides an employee with work-related equipment or supplies to enable them to work from home.

Generally, under an e-working arrangement, an employer may provide an employee with work-related equipment or supplies without giving rise to a benefit-in-kind (BIK) charge, where the equipment or supplies are provided primarily for business use.

See Tax and Duty Manual (TDM) [Part 05-02-13](#) for further information on remote working arrangements.

2. Computer Equipment

Where an employer provides an employee with computer equipment, a BIK will not arise where:

- the equipment is provided for business use and private use is merely incidental, and
- there is no transfer in ownership of the equipment.

Computer equipment includes a computer, laptop, ipad or other hand-held device. It also includes a printer, scanner, modem and disk drive, along with computer software and other devices which are connected to or inserted into a computer.

Where computer equipment is provided to an employee for his or her private use, or if private use is not incidental, it will give rise to a BIK charge.

The value of the BIK in such cases is equal to 5% of the market value of the asset when it was first provided as a benefit to any employee. See TDM [Part 05-01-01a](#) for further guidance on the calculation of the BIK charge in such cases.

Example 1

An employer provides a computer, printer and ancillary equipment to an employee for their private use at home. The employer retains ownership of the equipment. The original cost of the equipment to the employer was €3,000.

The equipment was first provided to an employee for home use on 1 January 2020 when it had a market value of €2,500. The BIK charge is calculated based on the value of the equipment when it was first provided to the employee. The notional pay of the employee from the private use of the equipment is therefore €125 ($€2,500 \times 5\%$).

3. Home High-Speed Internet Connection

Where an employer provides an employee with a home high-speed internet connection, a BIK charge will not arise where the connection is provided for business use and any private use is merely incidental.

A high-speed internet connection includes DSL, broadband or similar technology.

The BIK exemption applies to costs incurred by the employer in relation to the original installation of an internet connection, along with ongoing costs of same.

Where a home high-speed internet connection is provided to an employee for his or her private use, or if private use is not incidental, it will give rise to a BIK charge.

The value of the BIK in such cases is equal to the amount incurred by the employer in providing the internet connection. See TDM [Part 05-01-01a](#) for further guidance on the calculation of the BIK charge in such cases.

4. Telephone Costs

4.1. Telephone Provided by the Employer

Where an employer provides an employee with a dedicated home telephone line or mobile telephone, a BIK will not arise where:

- the telephone line is provided for business use and private use is merely incidental, and
- there is no transfer in ownership of the telephone line.

The BIK exemption applies to costs incurred by the employer in relation to the original installation of the telephone line along with ongoing line rental and call charges.

4.2. Use of own Telephone for Business Purposes

Where an employee uses their personal home telephone or mobile telephone for business purposes, he or she may be reimbursed by their employer for actual expenditure incurred (including the relevant proportion of line rental), in respect of business use, without a charge to tax arising.

The proportion of the telephone bill paid or reimbursed by the employer must be calculated based on a reasonable estimate of the business use of the phone. Records in support of the calculation of the amount reimbursed tax-free must be kept for inspection by Revenue.

Example 2

Total phone bill (includes €40 line rental)	€120
Business use estimate 25%	€30 may be paid tax-free

Where the telephone is used primarily for business purposes, and any private use is incidental, the employer may reimburse the employee for the full cost of the telephone bill without a charge to tax arising.

Private use will be deemed to be incidental, in the context of a telephone, if the cost of private use is no more than 5% of call costs.

Where an employee is required to be 'on call' outside normal working hours and uses their private telephone line or mobile telephone for such purposes, an amount equal to 50% of the cost of the line rental may be paid or reimbursed by an employer free of tax. This is the case even where there is otherwise no business use of the phone.

Where such employees can prove that their private use of the telephone line or mobile telephone is lower than 50% (e.g. 20%), the employer may pay or reimburse the employee a higher proportion of the telephone bill without a charge to tax arising.

This lower private use would have to be evidenced (using a periodic analysis of calls made over a given period or series of given periods) and relevant evidence should be retained by the employer.

If there is no business use at all, and the telephone bill is paid by the employer, 100% of the cost to the employer should be taken as notional pay and taxed accordingly.

Where the employee reimburses the employer for the cost of private calls, there will be no BIK arising as the value of the BIK is reduced by any amount made good by the employee to the employer.

5. Work-Related Supplies

Where an employer provides an employee with office furniture, supplies or other services to enable him or her to work from home, no charge to tax will arise. This is subject to the furniture or other supplies being used primarily for business use, with any private use being incidental.

Where office furniture, equipment, supplies or other services are provided for an employee's use on the business premises, no charge to tax will arise where such supplies are used by the employee solely in the performance of the duties of his or her office or employment.

6. Personal Protective Equipment (PPE)

Given an employer's obligations under the Safety, Health and Welfare at Work (General Application) Regulations 2007, where an employer provides an employee with PPE, including for example a FFP 2 mask, no charge to tax will arise, where such PPE is used by the employee solely in the performance of his or her duties.