



Real Meal Deal: A self-financing scheme to cut household food bills and boost economic growth

Introducing a tax-relief based meal card scheme in the UK would put up to £220 a month into employees' pockets each month and generate £6.4bn for the economy.

Amid rising food and energy bills and soaring inflation rates, the UK faces a challenge in providing practical and immediate solutions to fight the cost of living crisis whilst carefully balancing public finances.

Meal cards are a tax-relief funded scheme that would work by giving all employees at participating employers a meal card loaded with up to £220 each month (£10 per working day) to spend on food and non-alcoholic beverages at local restaurants and food providers that opt-in to the scheme.

Introducing a UK meal card is a simple change, with big benefits. It would only require a simple update to the Government's tax exemption rules for employee benefits and expenses.

How would a meal card scheme work?



The meal card is given by employers to employees on top of existing salary. Once an employer opts in, it would be a universal benefit for all employees.

£10 is the maximum daily allowance and would be free of tax for both employers and employees. This allowance is based on local food costs in the UK and the comparative value of similar schemes run in



other countries. The cost for the Treasury would be limited to the tax relief given and offset by increased economic activity generated by the meal card, thus becoming a self-financing scheme.

Meal cards are proven to be highly successful, and similar schemes operate in 35 countries around the world, benefiting over 50 million people.

Introducing a meal card scheme in the UK will:

- Put money in people's pockets by boosting food spending power at a time where costs are increasing – particularly benefitting those on the lowest incomes.
- Help employers attract and retain talent, driving economic activity and supporting real growth in communities.
- Benefit the wider economy and public finances, generating consumer spending to create jobs on local high streets and grow our economy.
- Help to encourage employees back to town and city centres following the rise in remote working during the Covid-19 pandemic, and help local employers, food providers and restaurants to foster closer relationships, strengthening communities.

A simple policy change with a big impact

- The scheme is easy to implement with a simple change to HMRC's current tax-exemption rules for employee benefits and expenses.
- In its current form, the exemption allows employers to offer subsidised meals to employees at an on-site canteen without incurring tax.
- The Government could provide the meal card benefit with update to the Treasury's existing exemption for on-site canteens, by extending it to include restaurants, food providers and ready to eat meals - paving the way for a new meal card scheme.
- It will help to equalize the treatment between SMEs without the ability to offer on-site canteens, and larger employers which offer these facilities.
- The cost to the Treasury of extending the existing exemption list would be compensated by additional taxes collected in the form of VAT and Corporation Tax, as well as a range of broader indirect benefits, such as increased job creation in other sectors of the economy.

Supporting employees

- The meal card will support working households by putting money in people's pockets and boosting food spending power, giving people real terms support for day-to-day spending of up to £220 a month.
- Paid on a monthly basis via the employer, meal cards would provide ring-fenced funding for ready to eat food, meals and non-alcoholic beverages purchased during the working day. This would cut household food bills by up to 50%.
- Introducing the meal card in France has reduced household food budgets from 17.5% to 9% of take-home income for minimum wage employees, providing greater scope for discretionary spending.
- In a survey of French medical professionals, 68% of GPs said meal vouchers had helped to improve people's quality of nutrition.
- The scheme is particularly relevant given the increasing cost pressures being felt by employees. From 1 April 2021 to 31 March 2022, the Trussell Trust's network provided more than 2.1 million parcels to people facing financial hardship across the country. According to the Trussell Trust, around 14% of people accessing food banks are in work.

Supporting employers

- With 70% of businesses struggling to recruit new employees, a UK meal card scheme gives employers a real opportunity to attract talent and provide real terms support to their employees.



- The scheme would enable employers to play a key supporting role to the UK's economic recovery as it recovers from high interest rates and low growth.
- Meal cards would help employers to attract and retain existing talent, reduce absenteeism, increase productivity, and improve health and well-being, without increasing the tax burden.

Supporting local economies

- A meal card which provides ring-fenced spending for use at affiliate restaurants and retailers will drive targeted economic activity on high streets and help local communities thrive.
- A UK meal card scheme will generate real economic activity in the hospitality and retail sector, with local areas seeing individual restaurants benefit from an average 18% uplift in turnover and creating 1 job for every 25 employees using the card.
- It will encourage better connections between businesses and their employees with local restaurants and wider local communities.

How you can help

- We need your help to secure Government support for introducing a meal card scheme – a simple policy change that could halve household food budgets and stimulate the UK economy, at a time when it is needed the most.
- You can voice your support by engaging in discussion on cost of living measures and signing our [open letter](#) to the Treasury.
- Awareness of the scheme can be raised by publicly supporting the campaign and engaging with the local press.
- Please get in touch with realmealdeal@wacomms.co.uk to arrange a meeting to discuss The Real Meal Deal in more detail.