



HM Revenue Staff Wear Guidelines

A guide to supplying corporate clothing and staying legal!

For some years now the Inland Revenue have imposed what can only be described as a 'wearer tax' on plain items of clothing that are issued free of charge to employees. Free issued clothing is considered a 'fringe benefit' to the employee if it is not protective workwear (ie. essential for the job function) and if it can be worn outside of the work environment without being clearly identified as having been issued by the employer.

This is generally overcome by the clothing carrying a permanently attached and clearly visible logo, usually in the form of an embroidery, print or woven 'tax tab'. The logo should distinguish the garment(s) as clothing for work, as opposed to clothing for leisure. Any removable identification, such as a pin-on badge, will not satisfy the requirement, as the clothing is effectively unmarked once the badge is removed.

The requirement is not well documented by HM Revenue and generally only comes to light on an inspection of a company's books, where invoices for staff clothing could be questioned. The tax liability of 25% of the cost price can be applied to either the employee or the employer if the issued clothing has not been clearly and permanently logo'd.

Naturally most companies will want to ensure that their staff clothing is suitably logo'd to enhance their corporate image and improve wearer morale, so this 'hidden' tax rarely becomes an issue.

Please talk to our corporate consultants if you have any concerns over how this could affect your own staff wear requirements.

Please Note: This document is intended as a guide only and should not be interpreted as official HM Revenue policy or guidelines

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