



Meals, entertainment and functions

Deductions for meals, snacks, overtime meals, entertainment and functions.

Meals and snacks

With limited exceptions relating to travel and overtime, the cost of food and drink is private and not deductible.

Overtime meal expenses

Deductions for meals you buy and eat while working overtime.

Entertainment and functions

You can't claim the cost of attending functions or participating in entertainment involving food, drink or recreation.

QC 72176

Meals and snacks

With limited exceptions relating to travel and overtime, the cost of food and drink is private and not deductible.

Last updated 25 June 2024

Example: buying food at work

Scarlett works evenings at the candy bar in a movie theatre. She gets a long break, during which she buys dinner and usually buys some peanuts and water to snack on throughout her shift.

Scarlett can't claim a deduction for the cost of snacks or her evening meal. The cost of the food and drink she has bought is private and not connected to her employment activities.

Similarly, you can't claim the cost of a meal you buy when you are going between different jobs.

Example: meals between jobs

Owen has 2 jobs, as a bank teller and a shop assistant at a liquor store. He finishes work at the bank at 5 pm and starts work at the liquor store at 6 pm. Before starting work at his second job, Owen buys an evening meal.

Owen can't claim a deduction for his evening meal. The cost of the food and drink is private and not connected to his employment activities.

You can generally claim a deduction for the cost of meals you incur when you **travel and stay away from your home overnight** in the course of your work.

You may also be able to claim a deduction for the cost of a meal you buy and eat while **working overtime**.

QC 72177

Overtime meal expenses

Deductions for meals you buy and eat while working overtime.

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When you can claim overtime meal expenses

Generally, the cost of food and drink (meals) while working are a private expense and you can't claim a deduction.

However, you can claim a deduction for an overtime meal if:

- you buy and eat the meal while working overtime
- you receive an [overtime meal allowance](#) under an industrial award or enterprise agreement
- the overtime meal allowance is shown on your annual income statement and you declare it as income in your tax return.

A meal you buy and eat while you are working overtime is an expense you incur in earning your employment income.

Example: deduction for overtime meal expense

Moana completes her 8-hour shift and her employer asks her to work for an additional 3 hours. She is given a meal break and paid a meal allowance of \$20 under her enterprise bargaining agreement. Moana buys and eats a meal costing her \$21 during her overtime.

At the end of the income year Moana's employer reports the allowance on her income statement. Moana declares the allowance as income in her tax return.

Moana can claim a deduction for \$21 for overtime meal expenses.

When you can't claim overtime meal expenses

You can't claim a deduction if you don't:

- buy the overtime meal yourself – for example, your employer provides you with a meal or reimburses you for the cost of your meal
- eat the meal while you are working overtime – for example, you eat the meal on your way home after you work overtime.
- receive an overtime meal allowance to purchase a meal while working overtime
- declare the overtime meal allowance you receive as income in your tax return.

Example: no overtime meal expense

Nerissa is paid an overtime meal allowance under an award when she works overtime on a Sunday. On the day, Nerissa's manager buys pizza for the team, so Nerissa doesn't buy any food or drink herself.

As Nerissa hasn't incurred any expenses on food or drink during her overtime, she can't claim a deduction for an overtime meal.

Example: meal purchased and eaten after overtime

Michael is asked to work 3 hours overtime after finishing his normal shift. He is given a meal break and paid a meal allowance of \$20 under his enterprise agreement. Michael takes his break but doesn't buy any food. After his overtime shift finishes, Michael buys some food on the way home.

Michael can't claim a deduction for the cost of this food, as he hasn't incurred the expense as part of earning his assessable income.

What is an overtime meal allowance?

An overtime meal allowance is:

- an amount your employer pays you to buy food and drink (a meal allowance) specifically for working overtime
- received under an industrial instrument – for example, an award or enterprise bargaining agreement
- reasonably expected to cover the cost of food and drink you consume on overtime.

An amount for overtime meals that has been folded into your normal salary and wages isn't an overtime meal allowance.

Example: meal allowance folded into wages

Luke received an overtime meal allowance under his previous enterprise agreement. In the most recent agreement, instead of paying an overtime meal allowance, an additional amount has been added to the hourly rate. The amount folded into Luke's hourly rate is not an overtime meal allowance. It is not paid to enable Luke to buy a meal specifically while working overtime.

Example: meal allowance not paid for overtime

Ophelia is a paramedic and her pay and conditions are covered by an industrial award. She receives 3 different meal allowances. Ophelia receives an allowance:

- if, because of her work, she is away from her home station during a rostered meal break
- if she is called out to duty while on a meal break
- for the cost of food and drink she incurs while working overtime.

The first 2 allowances are not overtime meal allowances as they are not paid in connection with working overtime.

The allowance Ophelia receives to buy a meal when she works overtime is an overtime meal allowance.

If an overtime meal allowance is only made in reference to an industrial instrument, but is not enforceable under it, it is not paid under that industrial instrument.

Example: not paid under an industrial instrument

Joe works as a project manager on building sites. His salary is determined by his employer using a starting amount greater than the applicable industrial award. He is also paid amounts to cover notional overtime, vehicle use, meals and work performed at home. Joe receives a fixed weekly amount as his salary.

Joe's salary does not take into account the actual overtime he works. He gets paid the same amount whether or not he works overtime. Although the calculation of his salary was made by reference to an industrial award, he is not being paid an allowance under an industrial award.

Joe has not been paid an overtime meal allowance.

Overtime meal allowance expense records

Generally, you must keep [written evidence](#) (such as receipts) of your overtime meal expenses.

If the amount you claim as a deduction is within the [reasonable amount](#) we specify, you may qualify for the [record keeping exception](#) and not need to keep written evidence of overtime meal expenses.

Written evidence

Written evidence is a receipt or other document (paper, digital or electronic) that you get from the supplier of the goods or services, such as an itemised receipt. It must include all of the following:

- name or business name of the supplier
- amount of the expense

- nature of the goods or services
 - if this is not shown on the document, you can write the missing details on the document yourself. You must do this before you lodge your tax return
- date you incur the expense
 - if this is not shown on the document, you can use your bank statement, credit card statement or some other reasonable, independent evidence to show when you paid the expense
- date the document (evidence) is created.

Generally, you need to keep this written evidence for 5 years from the date you lodge your return.

Record keeping exception for overtime meals

You don't need to keep written evidence of your overtime meal expenses if:

- you receive an [overtime meal allowance](#) from your employer
- you incur a deductible [overtime meal expense](#)
 - you must incur the expense and it must be deductible – merely receiving an overtime meal allowance from your employer does not automatically entitle you to claim a deduction
- the amounts you claim for overtime meals, covered by your allowance is within the [reasonable amounts](#) we specify.

You still need to be able to [show that you actually incurred the expense and are entitled to claim it](#).

Each meal that you claim a deduction for must be less than the reasonable amount.

If your overtime meal expense [claim exceeds the reasonable amount](#), you will need to keep written evidence for your whole claim.

Reasonable amount

The reasonable amount for overtime meal expenses in the 2023–24 income year is \$35.65.

The reasonable amounts are published each income year. See TD *2023/3 Income tax: what are the reasonable travel and overtime meal*

allowance expense amounts for the 2023–24 income year?

The reasonable amount is not an amount you can automatically claim as a deduction. You can still only claim a deduction for the deductible overtime meal expenses you actually incur.

Example: overtime meal expenses less than reasonable amount

Raisa works overtime one night to complete an urgent task. She receives an overtime meal allowance of \$15.94 under her industrial award. The allowance is shown on her income statement and she includes the amount as income in her 2023–24 tax return.

During her overtime meal break, Raisa spends \$20 on her meal.

The reasonable amount for overtime meal expenses in the 2023–24 income year is \$35.65.

Raisa can claim a deduction for the \$20 she spent without keeping written evidence because she:

- incurs a deductible overtime meal expense
- is paid an overtime meal allowance by her employer
- is claiming less than the reasonable amount for her overtime meal expense.

Although Raisa is not required to keep written evidence, she will still need to show:

- how she calculated her total deduction at the end of the year
- that she included the overtime meal allowance in her income tax return.

If your expenses are above the reasonable amount

If your overtime meal expenses are more than the reasonable amount, you can either:

- claim the amount you spent and keep written evidence of your whole claim (it's not sufficient to only have records for the expenses above the reasonable amount)

- claim only the reasonable amount and keep fewer records.

Example: overtime meal expenses more than reasonable amount

Stefan is paid an overtime meal allowance of \$18.32 under his industrial award. On his overtime meal break, Stefan goes to a restaurant and buys a meal and coffee. The bill is \$48.55, which is higher than the reasonable amount of \$35.65 in 2023–24 for an overtime meal.

Stefan can either:

- claim \$35.65 and not keep written evidence of his claim
- claim \$48.55 and keep written evidence of his whole claim.

Records to keep if the exception applies

Even if the record keeping exception applies to you, we may still check your tax return and ask you to provide documents showing that:

- you worked overtime
- you purchased a meal – for example, a credit card statement or other record
- your overtime meal allowance was paid under an industrial instrument
- you correctly declared the overtime meal allowance in your tax return.

QC 72178

Entertainment and functions

You can't claim the cost of attending functions or participating in entertainment involving food, drink or recreation.

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This includes events, dinners, dances and cocktail parties, even if they are attended exclusively by your work colleagues, you discuss work at the functions and they are compulsory. These aren't deductible expenses.

Example: attending work function

Leroy, a business development manager, attends a number of functions such as lunches, cocktail parties and dinners where he engages with potential new clients.

Despite the fact that Leroy conducts work-related discussions at these functions, he can't claim a deduction for the cost of attending. The expense is for entertainment (food and drinks).

QC 72179

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