

Personal Incidental Expenses

Travel and Expenses

Overview

This section describes the policy and rates for paying personal incidental expenses (PIE), which staff claim on SAP or, if not linked to SAP, using the *Travel and Expenses* claim form.

Audience

This section applies to all staff worldwide, unless otherwise stated in contracts. Consultants, visitors and others with whom the British Council has connections should use this policy as a benchmark, wherever possible.

Responsibilities

These guidelines are to be read by all staff and line managers.

Policy

- PIE allowance is payable as a flat rate.
- The rate is intended to cover personal incidental expenses such as newspapers, laundry and private telephone calls.
- PIE is payable for each night spent away from home, when stay is at a hotel or guest house, or on a residential course.
- PIE cannot be claimed when staff are staying with friends, relatives or colleagues and they have claimed the allowance for staying with colleagues.
- For UK-based staff, the rate is set at Inland Revenue maximum allowances, whether the travel relates to travel in the UK or to travel in another country.
- Country Directors set PIE rates for their countries.
- PIE cannot be claimed for overnight flights.

Rates

General

- The rate is a nightly rate, and there is no provision for PIE to be paid for day visits.
- If personal expenses are genuinely higher, due for example to a crisis at home causing extra personal telephone calls, managers have discretion to authorise further reimbursement against receipts. See UK-based staff below.

UK-Based Staff

- Staff are subject to UK tax; the rates payable in the UK and on overseas visits are the maximum amounts the Inland Revenue allows for tax-free reimbursements of flat rate PIEs.
- Currently, the rates payable for UK-based staff are £5.00 a night in the UK and £10.00 a night for overseas visits, regardless of which country is visited. Any flat rate reimbursement in excess of these amounts will cause the whole amount (and not just the excess) to be subject to tax and National Insurance contributions, which will result in lower reimbursement for staff and higher administration costs for the British Council (BC).
- UK PIE does not include an element for local travel, and to ensure tax-free reimbursement any short trip taxi fares or travel on public transport should be claimed separately and backed by receipts.

- Genuine extra reimbursement, and the flat rate PIE, must be processed through payroll for tax as a miscellaneous payment. Cases will be rare.
- Staff visiting another country are paid a flat rate of £10.00 a night, as explained above.

Overseas Staff

- rates are set by country directors. Country directors should not copy the UK PIE rates, but should set rates appropriately to cover personal expenses such as newspapers, telephone calls and laundry. It may be feasible to:
- set a single PIE rate for both in-country staff and visitors from other countries
- have a separate higher rate for visitors from other countries to cover higher costs caused by more expensive telephone calls home, lack of local knowledge for cheaper shopping, and so on
- include an element in PIE to cover local travel. This would make administration of claims simpler, particularly in countries where it is not always feasible to obtain receipts for local journeys by taxi or public transport.

Country directors should remember that UK staff visiting their country are paid £10.00 a night PIE in line with UK tax legislation. This does not apply to visitors from other countries who should be paid the PIE set by the country they are visiting. Country directors should also remember that UK-appointed staff based in their country should use the PIE rates applicable for the country in which they are based for in-country business travel, and not the £10.00 rate applicable to UK-based staff visiting their country.