

# Canada Revenue Agency increases flat rate amount for meal claims, and reasonable amount for meal benefits and allowances

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From: Canada Revenue Agency

## News release

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Canada Revenue Agency

Today, the Honourable Marc Garneau, Minister of Transport, on behalf of the Honourable Diane Lebouthillier, Minister of National Revenue, announced that the Canada Revenue Agency (CRA) has increased the amount that employers can use to determine whether an overtime meal or allowance, or the meal portion of a travel allowance is taxable, from \$17 to \$23. The CRA has also increased the rate at which transport employees and other individuals can claim meal expenses, using the simplified method (a flat rate per person), from \$17 to \$23 per meal. These increases are effective immediately and retroactive to January 1, 2020.

Since the beginning of the COVID-19 pandemic, essential workers across Canada have been working tirelessly to ensure Canadians are kept safe and still have access to the goods and services they need. Increasing the amount for meal claims and meal benefits or allowances ensures that all employees, including our essential workers, can access meals that meet today's inflation, as they continue to provide services that support Canadians through this pandemic.

The CRA's policies on taxable benefits and allowances allows an employer to exclude the value of an overtime meal or allowance, or certain travel allowances (including a meal portion), from an employee's income as long as the value is reasonable (amongst other conditions). If all of the conditions are met, the employer does not need to report the value of the meal or allowance on the employee's T4 slip.

When claiming meal expenses on a personal income tax and benefit return, the CRA allows transport employees, and individuals claiming moving expenses, medical expenses, or the northern residents deduction, to calculate their meal expenses claim using the simplified method. This method is the easiest way to calculate meal expenses since it is based on a flat rate and individuals do not have to keep receipts for their meals.

The \$17 value in these policies was last updated in 2009. These increases provide more flexibility and now accurately represent the average cost of a meal today, ensuring Canadian taxpayers can benefit fully of their meal benefit, allowance or claim.

More information on the increased amounts and how they impact employers and/or employees, will be made available in the coming weeks, including in the following publications:

- [Guide T4130, Employer’s Guide – Taxable Benefits and Allowances](#) – for information on calculating taxable benefits and allowances for overtime meals or allowances, or travel allowances. Employers may also use this guide for instructions on how to report these benefits or allowances on their employee’s T4 slips.
- [Guide T4044, Employment Expenses](#) – for information on the simplified method for claiming meal expenses.

## Quotes

“Updating our policies is an integral part of our People First philosophy to put Canadians at the centre of everything we do. The increase to the reasonable amount for meal benefits and allowances, as well as the flat rate amount for meal expenses, demonstrates CRA’s commitment to ensuring our tax system is fair and meets the needs of Canadians today.”

-The Honourable Diane LeBouthillier, Minister of National Revenue

“This is an important measure of support for Canada’s transportation sector employees, particularly our truckers. Canadians owe much to the tireless work of Canada’s truck drivers, especially during the COVID-19 pandemic. These increased meal allowance rates will ensure that truckers and other essential workers can access affordable meals as they travel long distances, transporting critical goods and supplies.”

-The Honourable Marc Garneau, Minister of Transport

## Quick facts

- Canada’s long-standing guidelines on taxable benefits apply to all employers, regardless of their industry sector or community.
- The CRA first published its administrative policy on overtime meals or allowances in Guide T4130 in 1999, stating that the meal or allowance had to be reasonable.
- In 2009, the CRA updated its administrative policy to specify that \$17 is generally defined as a reasonable amount.

## Associated links

- [Guide T4130, Employer’s Guide – Taxable Benefits and Allowances](#)
- [Overtime meals or allowances](#)
- [Travel allowance](#)
- [Guide T4044, Employment Expenses](#)
- [Meals and lodging \(including showers\) – Simplified Method](#)

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