



HM Treasury

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Dr Mike Goldsmith  
By email

22 March 2021

Our reference: TO2021/04163

Dear Dr Goldsmith,

Thank you for your correspondence dated 3 February to the Chancellor of the Exchequer. As it is not practical for Ministers to respond personally to all the correspondence they receive, I have been asked to reply.

Your concerns are about support for access to occupational health for all employers. Employers are already able to provide a number of health and wellbeing initiatives for their employees which are tax and National Insurance contributions (NIC) exempt and not treated as a taxable benefit in kind. This includes recommended medical treatment to help an employee return to work up to a value of £500. It also covers eye tests, annual health checks, and employers are able to provide their own in-house facilities, such as gyms, or provide free onsite meals for employees without incurring NICs or tax.

The Government does not believe that making the tax treatment of health and wellbeing initiatives more generous is the most effective lever to incentivise employers to take positive action for their employees' health and increase the provision of occupational health support. In part, this is because there are often many other barriers for employers in providing occupational health services, including the upfront costs. In addition, further tax relief would provide a greater benefit to those paying higher rates of tax and would not benefit individuals with income below the personal allowance.

However, in response to feedback provided through the Health is everyone's business' consultation and to recognise the variations in welfare counselling available, changes were made in the March 2020 Budget to enable employers to provide non-taxable counselling services including any recommended related medical treatment such as cognitive behavioural therapy. The changes took effect from April 2020.

Thank you for taking the trouble to make us aware of these concerns.

Yours sincerely,

Correspondence and Information Rights Team  
HM Treasury