

WORLDWIDE MEAL BENEFITS

- STUDY REPORT -

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1) OVERVIEW

This report consists of information about the meal benefits for various countries globally.

2) SURVEY METHODOLOGY

1) Data collection period.

The meal benefits survey was conducted during the period 9 August 2009 to 25 August 2009.

2) Mode of data collection.

Surveys were sent via email to the HR professionals of various industries.

3) Mode of data verification.

All of the data contained in this report has been reviewed for accuracy and reliability. Participants were contacted via email & telephone to resolve any potential data distortion.

4) Currency.

For ease of comparison across countries, all figures in the report are converted to US dollar (US\$).

3) PARTICIPATING COMPANIES

The list of participating companies is included in this section. By reviewing this section, you will gain a better understanding of the sources of data, helping you to better interpret and apply the report's results.

Australia

Company	Company description	Parent company nationality
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France

China

Company	Company description	Parent company nationality
ADM Cocoa	Manufacturing and Trading	USA
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France
Leeden Limited	Distribution & Manufacturing	Singapore
Millennium & Copthorne International	Hospitality Services	Singapore

Hong Kong

Company	Company description	Parent company nationality
ADM Cocoa	Manufacturing and Trading	USA
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
F&N Foods Pte Ltd	Manufacturing (FMCG)	Singapore
Future Electronics Inc (Distribution) Pte Ltd	Distributor of electronics components	Canada
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France

India

Company	Company description	Parent company nationality
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
Future Electronics Inc (Distribution) Pte Ltd	Distributor of electronics components	Canada
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France
W.R. Grace (S) Pte Ltd	Chemicals	USA

Indonesia

Company	Company description	Parent company nationality
ADM Cocoa	Manufacturing and Trading	USA
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France
Leeden Limited	Distribution & Manufacturing	Singapore
Millennium & Copthorne International	Hospitality Services	Singapore
NOK Asia Company Pte. Ltd.	Manufacturing of oilseals	Japan
W.R. Grace (S) Pte Ltd	Chemicals	USA

Japan

Company	Company description	Parent company nationality
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
Future Electronics Inc (Distribution) Pte Ltd	Distributor of electronics components	Canada
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France

Malaysia

Company	Company description	Parent company nationality
Boehringer Ingelheim Singapore Pte Ltd	Pharmaceutical	Germany
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
Future Electronics Inc (Distribution) Pte Ltd	Distributor of electronics components	Canada
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France
Hong Leong Corporation Holding Pte Ltd	Property & Investment holding/ Trading	Singapore
Leeden Limited	Distribution & Manufacturing	Singapore
Millennium & Copthorne International	Hospitality Services	Singapore
Sybase (Singapore) Pte Ltd	Information technology.	USA
W.R. Grace (S) Pte Ltd	Chemicals	USA

Philippines

Company	Company description	Parent company nationality
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Future Electronics Inc (Distribution) Pte Ltd	Distributor of electronics components	Canada
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France
Millennium & Copthorne International	Hospitality Services	Singapore

Singapore

Company	Company description	Parent company nationality
ADM Cocoa	Manufacturing and Trading	USA
Boehringer Ingelheim Singapore Pte Ltd	Pharmaceutical	Germany
Brady Corporation Asia Pacific Pte Ltd	Manufacturing	USA
Catlin Singapore Pte Ltd	Insurance/ Reinsurance	Britain
CrimsonLogic Pte Ltd	Infocomm	Singapore
F&N Foods Pte Ltd	Manufacturing (FMCG)	Singapore
Future Electronics Inc (Distribution) Pte Ltd	Distributor of electronics components	Canada
Gemalto Pte Ltd	World's biggest smartcard company in the digital security business.	France
Hitachi Cable (Singapore) Pte Ltd	Manufacturing	Japan
Hitachi Elevator Engineering (S) Pte Ltd	Engineering - Elevators & Escalators	Japan
Hong Leong Corporation Holding Pte Ltd	Property & investment holding/ trading (Consumer products)	Singapore
Hokuriku (Singapore) Pte Ltd	Sales & marketing of electronics components/PCBs.	Japan
Leeden Limited	Distribution & Manufacturing	Singapore

✚ Millennium & Copthorne International	✚ Hospitality Services	✚ Singapore
✚ NatSteel Holdings Pte Ltd	✚ Manufacturing and fabrication of reinforced construction steel related products.	✚ India
✚ NOK Asia Company Pte. Ltd.	✚ Manufacturing of oilseals	✚ Japan
✚ Pepperl+Fuchs (Mfg) Pte Ltd	✚ Manufacturing of Electronics Sensors	✚ Germany
✚ Singapore Zoological Gardens	✚ Amusement & Entertainment	✚ Singapore
✚ Sybase (Singapore) Pte Ltd	✚ Information technology.	✚ USA
✚ Systems on Silicon Manufacturing Co Pte Ltd	✚ Semiconductor Manufacturing (Foundary)	✚ Singapore
✚ W.R. Grace (S) Pte Ltd	✚ Chemicals	✚ USA

South Korea

Company	Company description	Parent company nationality
✚ Brady Corporation Asia Pacific Pte Ltd	✚ Manufacturing	✚ USA
✚ Future Electronics Inc (Distribution) Pte Ltd	✚ Distributor of electronics components	✚ Canada
✚ Gemalto Pte Ltd	✚ World's biggest smartcard company in the digital security business.	✚ France.

Taiwan

Company	Company description	Parent company nationality
✚ Brady Corporation Asia Pacific Pte Ltd	✚ Manufacturing	✚ USA
✚ Future Electronics Inc (Distribution) Pte Ltd	✚ Distributor of electronics components	✚ Canada
✚ Gemalto Pte Ltd	✚ World's biggest smartcard company in the digital security business.	✚ France

Thailand

Company	Company description	Parent company nationality
✚ Brady Corporation Asia Pacific Pte Ltd	✚ Manufacturing	✚ USA
✚ F&N Foods Pte Ltd	✚ Manufacturing (FMCG)	✚ Singapore
✚ Future Electronics Inc (Distribution) Pte Ltd	✚ Distributor of electronics components	✚ Canada
✚ Gemalto Pte Ltd	✚ World's biggest smartcard company in the digital security business.	✚ France
✚ Leeden Limited	✚ Distribution & Manufacturing	✚ Singapore
✚ Millennium & Copthorne International	✚ Hospitality Services	✚ Singapore

Vietnam

Company	Company description	Parent company nationality
✚ F&N Foods Pte Ltd	✚ Manufacturing (FMCG)	✚ Singapore
✚ Gemalto Pte Ltd	✚ World's biggest smartcard company in the digital security business.	✚ France
✚ Leeden Limited	✚ Distribution & Manufacturing	✚ Singapore
✚ W.R. Grace (S) Pte Ltd	✚ Chemicals	✚ USA

4) ASIA-PACIFIC MEAL BENEFITS MARKET PRACTICE

(i) Prevalence of meal benefit

Country	Total no. of companies surveyed	No. of companies providing meal benefit	% of companies providing meal benefit
Australia	3 companies	0 company	0%
China	6 companies	3 companies	50%
Hong Kong	6 companies	3 companies	50%
India	5 companies	2 companies	40%
Indonesia	6 companies	5 companies	83%
Japan	4 companies	1 company	25%
Malaysia	10 companies	5 companies	50%
Philippines	4 companies	2 companies	50%
Singapore	21 companies	15 companies	71%
South Korea	3 companies	2 companies	67%
Taiwan	3 companies	2 companies	67%
Thailand	6 companies	2 companies	33%
Vietnam	4 companies	1 company	25%
	81 companies	43 companies	47%

(ii) Allowance per meal (given beyond certain hrs)

	China	Hong Kong	India	Japan	Malaysia	Philippines	Singapore	South Korea	Taiwan	Thailand
Min allowance per meal	US\$7.3	US\$3.5	US\$2.0	US\$3.5	US\$1.4	US\$3.5	US\$1.4	US\$3.5	US\$2.4	US\$3.5
Ave allowance per meal	US\$7.3	US\$5.2	US\$2.8	US\$3.5	US\$2.5	US\$3.5	US\$3.6	US\$4.2	US\$3.0	US\$3.5
Max allowance per meal	US\$7.3	US\$9.0	US\$3.5	US\$3.5	US\$3.5	US\$3.5	US\$7.0	US\$4.8	US\$3.5	US\$3.5
Eligibility (average min hours after official working hours)	2 hrs	3.5 hrs	3.3 hrs	3.5 hrs	2.8 hrs	3.5 hrs	2.8 hrs	2.8 hrs	2.8 hrs	3.5 hrs
Sample size (no. of companies)	1	3	2	1	2	1	10	2	2	1

(iii) Meal allowance (given per day/shift)

	China	Malaysia	Singapore
Average meal allowance (given per day/shift)	US\$8.8	US\$1.7	US\$3.4
Sample size (no. of companies)	1	1	3

(iv) Meal allowance (given per month)

	Indonesia	Malaysia	Singapore	South Korea	Vietnam
Average meal allowance (given per month)	US\$24	US\$12.4	US\$21	US\$79	US\$26
Sample size (no. of companies)	3	1	1	1	1

(v) Provision of free meal

	China	Indonesia	Malaysia	Philippines	Singapore	Thailand
No. of companies providing free meal	1	2	1	1	2	1

5) TAX TREATMENT OF MEAL BENEFITS.

Meal benefits tax implications on employee:

Country	Overtime meal allowance/reimbursement	Meal allowance
Australia	Not taxable for overtime meal allowance not more than AUD23.60 per meal.	Taxable.
China	Not taxable to employee if support with receipt.	Taxable.
Hong Kong	Taxable.	Taxable.
India	Not taxable to employee if amount is equal to or below INR50 per meal.	Taxable.
Indonesia	Not taxable to employee if reimbursement not via payroll.	Taxable.
Japan	Not taxable to employee if meal subsidy reimbursement claim is based on actual receipt.	Taxable.
Malaysia	Not taxable to employee if it is on reimbursement basis.	Not taxable.
Philippines	Not taxable.	Not taxable.
Singapore	Not taxable.	Taxable.
South Korea	Not taxable to employee if reimbursement is not via payroll, and both the meal subsidy reimbursement claim and/or meal allowance is equal to or below KRW100,000 per month.	Not taxable for meal allowance below KRW100,000 per month.
Taiwan	Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to, or less than TWD1,800 per month.	Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to, or less than TWD1,800 per month.
Thailand	Not taxable to employee if reimbursement not via payroll.	Taxable.
Vietnam	Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to, or below VND650,000 per month.	Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to or below VND650,000 per month.

1) AUSTRALIA

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: Not taxable for overtime meal allowance not more than AUD23.60 per meal.
- ii) Tax treatment on meal allowance: taxable to employee.

2) CHINA

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if support with receipt.
- ii) Tax treatment on meal allowance: taxable to employee.

3) HONG KONG

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: taxable to employee.
- ii) Tax treatment on meal allowance: taxable to employee.

4) INDIA

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if amount is equal to or below INR50 per meal.
- ii) Tax treatment on meal allowance: taxable to employee.

5) INDONESIA

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if reimbursement not via payroll.
- ii) Tax treatment on meal allowance: taxable to employee.

6) JAPAN

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if meal subsidy reimbursement claim is based on actual receipt.
- ii) Tax treatment on meal allowance: taxable to employee.

7) MALAYSIA

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if it is on reimbursement basis.
- ii) Tax treatment on meal allowance: On & after 1 Aug 2009, not taxable to employee but meal allowance given must be reasonable & with commercial justification.

8) PHILIPPINES

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee.
- ii) Tax treatment on meal allowance: not taxable to employee.

9) SINGAPORE

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee.
- ii) Tax treatment on meal allowance: taxable to employee.

10) SOUTH KOREA

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if reimbursement is not via payroll, and both the meal subsidy reimbursement claim and/or meal allowance is equal to or below KRW100,000 per month.
- ii) Tax treatment on meal allowance: Not taxable for meal allowance below KRW100,000 per month.

11) TAIWAN

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to, or less than TWD1,800 per month.
- ii) Tax treatment on meal allowance: Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to, or less than TWD1,800 per month.

12) THAILAND

- i) Tax treatment on meal subsidy reimbursement claim for employee working overtime: not taxable to employee if reimbursement not via payroll.
- ii) Tax treatment on meal allowance: taxable to employee.

13) VIETNAM

- i) tax treatment on meal subsidy reimbursement claim for employee working overtime: Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to, or below VND650,000 per month.
- ii) tax treatment on meal allowance: Not taxable to employee for both meal subsidy reimbursement claim and/or meal allowance equal to or below VND650,000 per month.

Disclaimer: This meal benefits tax guide is meant to be used as a quick general guide only and shall not be construed as advice, opinion, or recommendation.

6) WORLDWIDE ALLOWANCE-PER-MEAL (DERIVED FROM COST-OF-MEAL INDEX).

Other than market practice, the cost-of-meal index can also be used to derive the meal allowance quantum for various countries worldwide. The methodology that this report used to derive the allowance-per-meal for various countries worldwide is as follows:

- ✦ The Singapore “allowance-per-meal” of US\$1.4 (market minimum), US\$3.6 (market average), and US\$7.0 (market maximum) is used a reference point as Singapore has the largest sample size based on participating companies. Singapore, being the reference point, is assigned a meal-index of “1”. An index of “2” for country “X” means that the cost-of-meal in country “X” is double the cost-of-meal in Singapore.
- ✦ The price of Big-Mac is used as a basis to compare the relative cost-of-meal worldwide and derive the cost-of-meal. Where data on the price of Big-Mac is not available for the country (e.g. Bangladesh, Brunei, India & Vietnam), the relative price-of-goods (<http://www.globalpropertyguide.com/Asia/Vietnam/currency-value>) is used to derive the cost-of-meal for the country.
- ✦ The respective country’s cost-of-meal index is multiplied with the Singapore “allowance-per-meal” to derive the recommended allowance-per-meal for the various countries worldwide.

Country	Big Mac Price as at 16 July 2009	Cost-of-meal index	Allowance-per-meal		
			Minimum	Average	Maximum
Singapore	US\$2.9222	1.0000	US\$1.4	US\$3.6	US\$7.0
Argentina	US\$2.9908	1.0235	US\$1.4	US\$3.7	US\$7.2
Australia	US\$3.6103	1.2355	US\$1.7	US\$4.4	US\$8.6
Bangladesh	NA	0.474	US\$0.7	US\$1.7	US\$6.8
Brazil	US\$4.3394	1.4850	US\$2.1	US\$5.3	US\$10.4
Britain	US\$3.7864	1.2957	US\$1.8	US\$4.7	US\$9.1
Brunei	NA	0.974	US\$1.4	US\$3.5	US\$6.8
Canada	US\$3.5402	1.2115	US\$1.7	US\$4.4	US\$8.5
Chile	US\$3.1426	1.0754	US\$1.5	US\$3.9	US\$7.5
China	US\$1.829	0.6259	US\$0.9	US\$2.3	US\$4.4
Colombia	US\$3.4671	1.1865	US\$1.7	US\$4.3	US\$8.3
Costa Rica	US\$3.4299	1.1737	US\$1.6	US\$4.2	US\$8.2
Czech Republic	US\$3.7423	1.2806	US\$1.8	US\$4.6	US\$9.0
Denmark	US\$5.6227	1.9241	US\$2.7	US\$6.9	US\$13.5
Estonia	US\$2.8953	0.9908	US\$1.4	US\$3.6	US\$6.9
Egypt	US\$2.3274	0.7965	US\$1.1	US\$2.9	US\$5.6
Euro area	US\$4.699	1.6080	US\$2.3	US\$5.8	US\$11.3
Hong Kong	US\$1.7156	0.5871	US\$0.8	US\$2.1	US\$4.1
Hungary	US\$3.7513	1.2837	US\$1.8	US\$4.6	US\$9.0
Iceland	US\$5.0421	1.7254	US\$2.4	US\$6.2	US\$12.1
India	NA	0.487	US\$0.7	US\$1.8	US\$3.4
Indonesia	US\$2.0942	0.7167	US\$1.0	US\$2.6	US\$5.0
Israel	US\$3.9492	1.3514	US\$1.9	US\$4.9	US\$9.5
Japan	US\$3.3694	1.1530	US\$1.6	US\$4.2	US\$8.1
Latvia	US\$3.1389	1.0742	US\$1.5	US\$3.9	US\$7.5
Lithuania	US\$2.9121	0.9965	US\$1.4	US\$3.6	US\$7.0
Malaysia	US\$1.9228	0.6580	US\$0.9	US\$2.4	US\$4.6
Mexico	US\$2.5645	0.8776	US\$1.2	US\$3.2	US\$6.1
New Zealand	US\$3.3191	1.1358	US\$1.6	US\$4.1	US\$8.0
Norway	US\$6.5661	2.2470	US\$3.1	US\$8.1	US\$15.7
Pakistan	US\$2.2958	0.7856	US\$1.1	US\$2.8	US\$5.5

Peru	US\$2.6943	0.9220	US\$1.3	US\$3.3	US\$6.5
Philippines	US\$2.0603	0.7051	US\$1.0	US\$2.5	US\$4.9
Poland	US\$2.5994	0.8895	US\$1.2	US\$3.2	US\$6.2
Russia	US\$2.1124	0.7229	US\$1.0	US\$2.6	US\$5.1
Saudi Arabia	US\$2.925	1.0010	US\$1.4	US\$3.6	US\$7.0
South Africa	US\$2.2058	0.7548	US\$1.1	US\$2.7	US\$5.3
South Korea	US\$2.7387	0.9372	US\$1.3	US\$3.4	US\$6.6
Sri Lanka	US\$1.8277	0.6255	US\$0.9	US\$2.3	US\$4.4
Sweden	US\$5.4169	1.8537	US\$2.6	US\$6.7	US\$13.0
Switzerland	US\$6.06	2.0738	US\$2.9	US\$7.5	US\$14.5
Taiwan	US\$2.2717	0.7774	US\$1.1	US\$2.8	US\$5.4
Thailand	US\$1.867	0.6389	US\$0.9	US\$2.3	US\$4.5
Turkey	US\$3.7831	1.2946	US\$1.8	US\$4.7	US\$9.1
UAE	US\$2.7223	0.9316	US\$1.3	US\$3.4	US\$6.5
Ukraine	US\$1.7478	0.5981	US\$0.8	US\$2.2	US\$4.2
United States	US\$3.57	1.2217	US\$1.7	US\$4.4	US\$8.6
Uruguay	US\$2.6124	0.8940	US\$1.3	US\$3.2	US\$6.3
Vietnam	NA	0.487	US\$0.7	US\$1.8	US\$3.4

~~~~~ "End of Report" ~~~~~