

Rt. Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
London
SW1A 2HQ

XX October 2025

Dear Chancellor of the Exchequer,

As leaders in the retail, hospitality, gift card and voucher, and employee rewards sectors, we are writing together to urge the Government at this Autumn Budget to uplift the Trivial Benefits Allowance (TBA). This simple, low-cost decision will deliver meaningful benefits for households, high streets, and employers alike – while representing excellent value for money for the Treasury.

The current £50 cap on small, tax-free benefits has remained unchanged since the TBA was introduced in 2016, eroding by more than 20% in real terms. A modest reform would restore its relevance and unlock substantial economic and social gains.

We are therefore calling on HM Treasury to modernise the scheme in the Autumn Budget 2025, enabling employers to give up to five non-cash gifts per employee per year, with a total annual value of £1,500. This small change will deliver big benefits across key political priorities for government, including:¹

- Boosting local spending by **injecting an additional £5.2bn into UK high streets** and local economies every year.
- Putting pounds directly into people's pockets, **delivering £6.7bn of direct, tax-free support into workers' hands each year**, at a time when cost-of-living pressures remain acute.
- Driving **productivity gains worth more than £7bn annually**, as rewards help motivate staff, improve morale, and increase output.
- Reducing staff turnover and absenteeism, **saving employers £5.8bn a year** in recruitment and absence costs.

All in, this policy will deliver exceptional value for money – **every £1 of public investment in an increased TBA will generate £87 in return across UK growth, productivity, and local spending**. This makes it one of the highest value and easily implemented policy levers available to policymakers.

To deliver on the Government's vision of national renewal, targeted and cost-efficient policies will be essential. A TBA uplift would provide direct support to working people while also stimulating spending in high streets across the UK. This is a ready-made, easy-to-use measure that can deliver results quickly and visibly in line with the Government's renewal agenda.

We welcome the opportunity to discuss this policy in more detail and share further insights and evidence from across our respective sectors. We are committed to working with you to ensure that every job is a good job – and to delivering the shared goal of a stronger economy.

If you would be interested in meeting with representatives from the It's Not Trivial Campaign, please contact info@gcva.co.uk and a member of our team can support with making arrangements.

Yours sincerely,

[Signatories]

¹ Ortus Economic Research (2025), The Socioeconomic Value of the Trivial Benefits Allowance