WEEKLY LABOUR BULLETIN

Commercial Farmers Union Bulletin #24
Part 4



3rd November 2026

TABLE OF CONTENTS

CAN A CASH ALLOWANCE BE REPLACED WITH AN IN-KIND BENEFIT?

PART 4: A PRACTICAL GUIDE FOR FARMERS

01 **Introduction.....1**

02 **Practical Checklist.....1**

1. Identify the Allowance Involved.....1
2. Assess the Suitability and Adequacy of the Proposed Benefit...1
3. Consult the Affected Employees.....2
4. Follow the Applicable Legal Procedure.....2
5. Plan for Disputes and Changes in Circumstances.....2
6. Keep Proper Records.....2

03 **Interim Guidance on Existing Arrangements.....3**

CFU WEEKLY LABOUR BULLETIN - 3rd November 2026

CAN A CASH ALLOWANCE BE REPLACED WITH AN IN-KIND BENEFIT?

PART 4: A PRACTICAL GUIDE FOR FARMERS

INTRODUCTION

In the preceding parts of this series, we examined the legal position on replacing prescribed cash allowances with benefits in kind, the exemption process under section 29 of S.I. 41 of 2022, and the importance of ensuring that any proposed alternative is suitable and adequate. This final part brings these issues together in a practical checklist for employers considering such arrangements.

PRACTICAL CHECKLIST

1. IDENTIFY THE ALLOWNCEINVOLVED

Establish which cash allowance is affected and the purpose it serves. The proposed in-kind benefit should address the same need that the allowance is intended to meet.

2. ASSESS THE SUITABILITY AND ADEQUACY OF THE PROPOSED BENEFIT

Before proposing an alternative, consider whether it will genuinely meet the employee's needs. Relevant factors include:

- **Practical usefulness**: Will the benefit serve the purpose of the existing allowance?
- **Adequacy**: Is it sufficient for the intended purpose, having regard to the circumstances of the employee?
- **Reliability and availability**: Will the benefit be consistently available when required?
- **Costs**: Are there additional costs that the employee would have to meet to use or maintain the benefit?
- **Maintenance and replacement**: Who will be responsible for repairs, maintenance and replacement where the benefit breaks down, becomes unsuitable or is no longer usable?

For example, providing solar lighting in place of a lighting allowance may not be an adequate alternative if the equipment does not provide sufficient light or cannot be maintained and repaired when necessary.

3. CONSULT THE AFFECTED EMPLOYEES

Employers should discuss the proposed arrangement with the affected employees and give them an opportunity to raise concerns about its suitability and adequacy. Any agreement reached, together with the details of the benefit to be provided, should be recorded. Where employees raise concerns, employers should consider them and, where reasonably possible, make appropriate adjustments to the proposed arrangement.

Employee acceptance is useful in assessing whether the arrangement is workable, but it does not, by itself, remove the requirements of the existing Collective Bargaining Agreement (CBA).

4. FOLLOW THE APPLICABLE LEGAL PROCEDURE

Employers should not assume that providing an in-kind benefit automatically permits them to discontinue a prescribed cash allowance. Where the proposed substitution requires a departure from the existing CBA, the employer should consider the exemption procedure under section 29 of S.I. 41 of 2022. The Exemption Committee may grant an exemption in writing, on reasonable grounds and subject to any terms and conditions it imposes.

An application for exemption, or an agreement with employees, should not be treated as an exemption having been granted. Employers should continue complying with the applicable CBA requirements unless and until the necessary exemption is granted.

5. PLAN FOR DISPUTES AND CHANGES IN CIRCUMSTANCES

Even when an arrangement initially works well, problems may arise later. A benefit may become unreliable, inadequate or unavailable, or employees may raise concerns about its continued suitability.

Employers should have a practical process for receiving and addressing such concerns. This should include discussing the problem with affected employees, recording the issue and the steps taken to resolve it, and using the applicable NEC dispute-resolution procedures where the matter remains unresolved.

6. KEEP PROPER RECORDS

Employers should retain records of the allowances concerned, the proposed alternative, consultations with employees, any agreement

reached, the benefits actually provided, and any maintenance, replacement or dispute-resolution measures undertaken. Proper records help demonstrate how the arrangement operates in practice and provide a useful reference if concerns arise later.

INTERIM GUIDANCE ON EXISTING ARRANGEMENTS

For employers already providing in-kind benefits in place of cash allowances, please refer to the **Addendum to Part 2: Existing In-Kind Benefit Arrangements** for interim guidance.

This guidance should be read alongside the practical checklist above. It does not constitute an exemption from the existing CBA requirements, and engagements with the NEC will continue on the proposed amendments and the treatment of existing arrangements.

This concludes our four-part series on replacing cash allowances with benefits in kind.

Disclaimer: This article is issued to serve as a general guide to farmers and does not substitute legal advice that may be required to address a particular situation with peculiar circumstances.

CIlck here: to see the Archive for all downloadable S.I's on our website - www.cfuzim.org

Click Here: to find previously published Labour Bulletins