



Employee and volunteer taxation

made simple



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Introduction

This guide is targeted at UK charities and not for profit organisations. It aims to provide an introduction to the taxation of employees and of employee, volunteer and trustee benefits and expense payments.

The guide is divided into the following sections:

Employed or self-employed?

This section outlines the employment status tests which are used to determine if a worker is an employee or is self-employed for tax purposes. It explains how to obtain HMRC's own assessment of how the tests apply to a worker's or group of workers' situations.

Special situations

There are special rules for certain types of worker. This section considers the rules for: officers, company directors and trustees; agency staff; zero-hours contracts; workers providing services via an intermediary; and examiners.

The PAYE and P11D processes

This section outlines the procedural rules relating Income Tax and national insurance contributions and the responsibilities of employers and employees.

Employee benefits and expenses

This section outlines the taxation of employee expenses and benefits in kind, including: the key exempt, deductible and taxable benefits and expenses, salary sacrifice, how to value benefits in kind; PAYE Settlement Agreements and how taxable benefits in kind are reported to HMRC.

Termination payments and benefits

This section outlines the special tax rules that apply to payments made on termination

of employment including: payments in lieu of notice; redundancy payments; ex-gratia payments; compensation and termination benefits such as a gift of a laptop or company car.

Trustees and volunteers

Unpaid trustees and volunteers are not usually seen as being employees or paid officers for employment taxation purposes. This section outlines the taxation position of payments and benefits provided to volunteers and unpaid office holders.

COVID-19 pandemic measures

This section outlines the key employment and volunteer-related measures taken by the UK government in response to the COVID-19 pandemic.

Further Information

This section provides web links for the further information referred to in the above sections.

The HMRC staff employment tax manuals are available on the gov.uk website and provide important guidance on a wide range of employment tax issues. In this guide references to:

EIM are references to pages in HMRC's Employment Income Manual

ESM are references to pages in HMRC's Employment Status Manual

PSA are references to pages in HMRC's PAYE Settlement Agreement Manual.

See the section [Further Information](#) for links.

Employed or self-employed

Where an individual is paid to carry out work, the first thing to establish is the whether the individual is employed or self-employed. This is referred to as determining the individual's *employment status*.

If an individual provides their services via an intermediary, such as via a personal service company, then see the section IR35 below.

Employed or self-employed status attaches to a particular contract and not to the individual carrying out the work. The same individual might be self-employed under one contract and employed under another.

The HMRC website provides a *Check Employment Status for Tax* tool (CEST) that may provide an assessment of employment status – see the section CEST tool below.

Employment status tests

The starting point for applying the status tests is the engagement contract, together with any other documents that set out the terms of the contract, such as a job description, staff handbook or union agreement. However, written engagement terms can be *seen through* if they do not correspond to reality.

For a contract between an *engager* and a *worker* to be a contract of employment, all three of the following conditions must be satisfied:

1 Mutuality of obligation

The engager must have an obligation to provide work for the worker and the worker must have an obligation to personally perform the work. If the worker has a genuine right to provide a substitute to perform the work, then this test fails and the worker is self-employed. It is not necessary for the worker to have exercised

a right of substitution, however, if a written right to provide a substitute does not exist in reality, or is heavily constrained, the written right may be ignored for example a requirement to appoint a substitute from a pool chosen by the employer via a process determined by the employer.

2 Control

The worker agrees, expressly or by implication, to be subject to the engager's control. Control means the power of deciding:

- what tasks are carried out
- the way in which they are carried out
- the means of doing them
- the time and place where they are done.

The degree of control necessary to satisfy the control test may vary and for some workers, such as experts and experienced workers, the degree of control necessary to satisfy the test may be low. However what matters for the control test is the right to exercise control rather than the actual exercise of control.

3 Other factors

The overall picture must be consistent with the contract being a contract of employment. Other factors that are commonly used to assess this include:

- who provides any equipment or materials required
- the worker's degree of financial risk and opportunity for profit
- whether the worker is *part and parcel* of the organisation
- whether the worker has a recognisable business infrastructure
- the degree of continuity in the

relationship and the length of the engagement

- the number of other similar engagements entered into by the worker
- the way the worker is remunerated (for example inclusion of sick pay and/or holiday pay is usually seen as indicative of employment)
- the intentions of the parties.

A scorecard-type approach to assessing the third test is inappropriate as not all factors are of equal importance and the factors may vary in importance from one situation to another. One must stand back and examine the overall picture.

If any of the three tests (mutuality of obligation, control and overall picture) fail, the worker is self-employed.

HMRC CEST tool

The HMRC Check Employment Status for Tax tool (CEST) is designed to provide a way of checking HMRC's assessment of the employment status of a worker or a group of workers, though the tool may provide an *undecided* answer.

It can be used by engagers, workers and other parties, such as intermediaries. HMRC state (ESM11010):

HMRC will stand by the result produced by the service provided the information is accurate and it is used in accordance with our guidance.

Where there are subsequent material changes to contractual or working arrangements, the information originally provided may no longer be accurate and HMRC will not stand by the original outcome. HMRC would recommend that you

complete CEST again to consider the new arrangements.

HMRC will not stand by results achieved through contrived arrangements that have been deliberately created or designed to get a particular outcome. We would see this as deliberate non-compliance, and you risk financial penalties.

You can download or print a copy of the result which will show the answers provided to each question, along with the reasoning in reaching that result. HMRC would recommend that you retain a copy.

Getting it wrong

If an individual is mistakenly treated as self-employed, the individual may assume the rights of an employee including the right to paid holidays, protection against unfair dismissal and the right to redundancy pay. The employer will also be liable for any PAYE and national insurance that should have been deducted or paid in respect of the employee, calculated on the basis the payments made to the employee were net of any taxes due. Income tax and national insurance payments by the individual can, subject to conditions, be used to offset the employer's liability and, as a result, the employer will only be liable for any excess. Employers may also be able to transfer the obligation to the employee in some situations.

Special situations

Officers, trustees and directors

The holder of an office is automatically treated as an employed earner in respect of any earnings from the office. It is not necessary to show that the employment status tests are met, instead it is necessary only to show that the person holds an office and the amounts in question are earnings from that office.

An office is a permanent, substantive position which has an existence independent from the person who fills it, which carries on and is filled in succession by successive holders.

The office must owe its existence to some instrument, such as a charter, statute, articles of association, declaration of trust, contract (other than a contract of personal service) or other instrument that creates a permanent office. Examples of office holders are: company directors and company secretaries, charity trustees, officers and secretaries of unincorporated associations, parish clerks, coroners and judges.

However the reimbursement of expenses to an unpaid officer is not seen as creating earnings from an office – see [Trustees and volunteers](#) below.

Fees received by company auditors, company secretaries and similar are not treated as earnings if the post holder provides such services in the course of a professional business, see EIM03002.

Agency staff

Temporary agency staff (*temps*) will usually be treated as employees of the agency for tax purposes and the agency will be responsible for dealing with any employment responsibilities.

Zero-hours contracts

Under a typical zero-hours contract the employer is not obliged to provide work, however the worker may be obliged to make themselves available for work and to accept it if offered. Zero-hours contracts are common where a pool of workers is on call. Case law has established that this sort of arrangement can be seen as satisfying the Mutuality of Obligation Test, though the workers would still have to pass the control and overall picture tests to be considered employees for tax purposes.

Employment intermediaries – IR35

The Mutuality of Obligation Test is usually seen as failing where a worker provides their services via an intermediary business structure (also referred to as *off payroll working*).

Typically, individuals provide their services via a *Personal Service Company* (PSC) in which they own all or most of the shares. The PSC invoices for the individual's services with the PSC then usually transferring some or all of the fees (less VAT and charges for materials) to the individual in the form of dividends, which generally attract a lower rate of Income Tax than employment income and are exempt from National Insurance Contributions.

The *employment intermediaries* regime (also known as IR35) is designed to prevent individuals from using intermediary business structures to avoid or reduce their Income Tax and National Insurance liabilities in this way if they would be seen as an employee but for the use of the intermediary structure. If this is the case, the IR35 regime treats the worker as an employee for tax purposes and subjects the worker's fees (net of VAT, materials and allowable expenses) to Income

Tax and National Insurance Contributions as if the person was an employee. The individual is also subject to the employee benefits and expenses regime as for an employee (for which see [Employee benefits and expenses](#) below).

The person responsible for deducting any Income Tax and National Insurance Contributions due has been subject to change:

- **Up to 6 April 2017** the liability rested solely with the worker's intermediary (e.g. a PSC). The PSC was required to treat payments to the individual (including via dividends or interest payments) as earnings for Income Tax and National Insurance purposes and operate PAYE.
- **With effect from 6 April 2017** the liability is shifted to the engager if the engager is a public sector body (*IR35 in the public sector*). The engager is required to treat fees paid to the intermediary (net of VAT, materials and allowable expenses) as earnings subject to PAYE if the worker would be an employee of the engager but for the intermediary.
- **With effect from 6 April 2021** the liability is also shifted to the engager if the engager is a large or medium-sized private-sector employer (*IR35 in the private sector*). The liability remains with the worker's intermediary if the engager is small.

An engager is small if it satisfies two or more of the following requirements:

- 1 It has an annual turnover not exceeding £10.2m (for a charity turnover excludes grants and donations).
- 2 It has a balance sheet total (gross assets) of not more than £5.1m.
- 3 It had an average of no more than 50 employees for the company's financial year.

If the entity is a part of a corporate group (for example a charity with a wholly owned trading subsidiary), the tests apply to the corresponding amounts for the entire corporate group.

Status Determination Statements

With effect from 6 April 2021 public sector and large- and medium-sized private-sector engagers must make an assessment of whether a worker working via an intermediary would be an employee but for the intermediary. The engager must send a copy of this assessment to the worker. This is referred to as a Status Determination Statement or SDS and can be generated using HMRC's CEST tool.

The engager must give the SDS to the worker and, if there is one, to any other intermediary involved in the supply chain between the engager and the worker's intermediary.

The worker or other intermediary must be able to raise representations through a status disagreement process and the engager must provide a response within 45 days of receiving notification that the worker or other intermediary disagrees with the SDS.

If there is a chain of intermediaries between the engager and the worker's intermediary, passing an SDS onto a UK intermediary passes on any liability to treat fee payments as earnings to that intermediary however passing an SDS onto to the worker or the worker's own intermediary does not.

Examiners

An examiner, moderator or invigilator, or person employed to set questions or tests for an examination is treated as an employee for Income Tax purposes, but as a self-employed earner for National Insurance purposes, if the work they do under the contract is to be performed within 12 months. See ESM1450.

The PAYE and P11D processes

This section outlines the UK taxation processes and procedures for employment income.

In general earnings from an office or employment are taxed at source, with the employer required to deduct Income Tax and National Insurance Contributions (NICs) from earnings and to pay these deductions to HMRC via a process referred to as *Pay as You Earn* or PAYE.

In the guidance below the term employee includes officers holding a paid office.

Tax years and months

Employment taxes and NICs operate on a tax-year basis. The tax year runs from 6 April to the following 5 April, for example the tax year 2020/21 means the period 6 April 2020 to 5 April 2021 inclusive.

Tax months run from the 6th of the month to the 5th of the following month, for example tax month 12 runs from 6 March to 5 April.

The PAYE process

Salary, wages, bonuses, commissions, overtime payments, holiday pay and other monetary earnings (*gross pay*) derived by an employee from an employment or by an officer from an office, are potentially subject to two deductions:

- 1 **Income Tax** – this is a tax on income
- 2 **Employee National Insurance Contributions** also referred to as *employee NICs* or *primary class 1 National Insurance Contributions*.

The employer pays the employee the net amount (*net pay*). The employer must pay the amounts deducted to HMRC monthly or quarterly via the PAYE process.

The employer may be liable for two types of National Insurance Contribution:

- 1 **Employer class 1 NICs** also referred to as secondary class 1 contributions.
- 2 **Employer Class 1A contributions** these are payable by the employer on the provision of certain taxable benefits in kind to employees.

Employers must normally pay the Income Tax and class 1 NICs (employer and employee) to HMRC monthly, the due date being 22nd of the following tax month, or the 19th if payment is sent by post. Employers who usually pay less than £1,500 per month may be able to pay quarterly instead of monthly. The class 1A employer NICs are normally paid annually via the P11D process – see below. However if an employment is terminated, employer class 1A NICs may be payable via the PAYE process – see the section [Termination payments and benefits](#) below.

Pension contributions

Employer pension contributions to a registered pension scheme are exempt and are excluded from gross pay and not subject to class 1 or class 1A NICs.

For some types of pension scheme the employer may deduct eligible employee pension contributions from gross pay, before calculation of any Income Tax liability but after determining any class 1 NICs liability.

For other pension schemes, employee pension contributions are deducted from net pay, with the scheme or employee claiming any Income Tax refund. See [Exempt benefits and expenses: Pensions](#) below.

The P11D process

At the end of each tax year an employer must submit a P11D form to HMRC in respect of

each employee who received taxable benefits and expenses in the tax year which were not processed via PAYE or included in a [PAYE Settlement Agreement](#) (see below).

Examples of taxable benefits in kind to be included on a P11D include the provision of private medical insurance, company cars and fuel for company cars.

The employer must also submit a P11D(b) summary form, detailing the amounts of class 1A NICs payable.

The employer must submit the P11Ds and P11D(b) to HMRC by 6 July following the end of the tax year and must pay any class 1A NICs due by 22 July (19 July if paid by cheque).

Income Tax

Income Tax is calculated as a percentage of income, after deducting any *tax allowances*.

Income Tax rates vary, depending on the income band, the employee's place of residence (with different rates and bands for residents of Scotland) and on the tax year in question. The gov.uk website provides a list of current and past tax rates and bands, see [Further Information](#) for a link.

Tax allowances

Most UK residents have a personal allowance per tax year (2020/21: £12,500) below which earnings and other forms of income are not subject to Income Tax. There are additional personal allowances for blind persons, and for married couples where at least one partner was born before 6 April 1935.

If income in a tax year exceeds £100,000 then the personal allowance is withdrawn at a rate of £1 for every £2 over £100,000.

Individuals who are married may transfer up to 10% of their personal allowance to their

spouse. This is referred to as the Marriage Allowance.

Tax codes

Tax allowances are usually allocated to employees by the use of tax codes, with the tax code specifying how much allowance the employee is eligible for and how the allowance is given. Key tax codes are:

L: the employee is entitled to the standard Personal Allowance.

M: the employee has received a transfer of Marriage Allowance.

N: the employee has transferred Marriage Allowance to their spouse.

BR: All income is taxed at the basic rate (usually because the employee has another job).

D0, D1: all income from the employment is taxed at the higher or additional rate.

NT: the employee is not subject to Income Tax on their earnings.

K: this code adds an amount to earnings, in effect it is a negative tax allowance.

T: the tax code has been adjusted by HMRC (see below).

W1M1: this means the tax code operates on a non-cumulative basis.

Tax codes may be adjusted by HMRC to allow for deduction of tax in respect of taxable benefits in kind and amounts of tax owed to HMRC, and to give tax relief for allowable expenses.

National Insurance Contributions

Employees aged 16 and over, but below the state retirement age, are subject to Employee National Insurance Contributions on monetary earnings and amounts that are treated as monetary earnings.

They are calculated as a percentage of earnings between a lower threshold and an upper threshold plus a percentage of any earnings above the upper threshold. The thresholds and percentages vary from tax year to tax year.

The employer is liable for two types of National Insurance Contribution:

- 1 **Class 1 employer NICs** are payable as a percentage of all earnings above the lower threshold. These are payable in respect of all employees aged 16 or over.
- 2 **Class 1A employer NIC** are payable by the employer on the provision of certain taxable benefits in kind to employees, via the P11D process. They are calculated as a percentage of the cash equivalent value of the taxable benefits in kind.

Real Time Information

Most employers must submit details of employee payments and deductions made via the PAYE process to HMRC digitally via compatible software. This process is referred to as Real Time Information (RTI).

Under RTI an employer must submit:

- **A Full Payment Submission (FPS)** on or before the day a payment is made to an employee. This sends details of payments made to each employee and deductions made. HMRC will not usually charge penalty if an FPS is up to 3 days late however employers who regularly file after the payment date but within 3 days may be contacted or considered for a penalty.
- **An Employer Payment Summary (EPS)** by 19th of the following tax month. An EPS is required to correct errors made in the same tax year, to claim employer's allowances or deal with the Apprenticeship

Levy (see below). A nil EPS must be sent if there were no payments to employees in the tax month.

- **An Earlier Year Update (EYU)** is used to correct amounts disclosed in previous tax years. From 6 April 2021, the EYU will no longer be a valid submission to make amendments to the tax year ending 5 April 2021 or later. Any amendments will need to be made using a further Year to date (YTD) Full Payment Submission (FPS)

Expense payments and benefits in kind

The section [Employee benefits and expenses](#) explains which expense payments and benefits in kind (non-cash benefits) are taxable or exempt. In general:

- If a payment or benefit in kind is exempt there is no need to deduct Income Tax or NICs via the PAYE process or to report the payment or benefit to HMRC via the P11D process.
- If a monetary payment to an employee is taxable, it is added to gross salary and subjected to Income Tax and class 1 employee and employer NICs under the PAYE process.
- If a benefit in kind is taxable it is taxed under the P11D process and subject to employer class 1A NICs instead of class 1 employer or employee NICs. Income Tax is usually recouped by amending the employee's tax code or if that isn't possible, via a *simple assessment* under which the employee is required to pay outstanding amounts directly to HMRC, or for employees with more complex tax affairs, by requiring the employee to submit a tax return and payment to HMRC.

NICs-only treatment

If an employer satisfies an employee's pecuniary liability, for example an employer pays an employee's personal debt directly, a special *NICs-only treatment* may apply, as illustrated by the following example.

- An employer contracts for and pays for private medical insurance for an employee. This is a taxable benefit in kind that must be reported on a P11D and subject to class 1A employer NICs. The employee's tax code will usually be reduced to collect Income Tax on the benefit in kind.
- An employee contracts for and pays for their own private medical insurance. The employer reimburses the employee for the expense. The reimbursement should be included as taxable earnings in the PAYE process when paid and subject to Income Tax and class 1 employee and employer NICs.
- An employee contracts for their own private medical insurance but the employer pays the insurer directly. This is a taxable benefit in kind reportable on a P11D however for NICs purposes, the payment is treated as earnings and subjected to class 1 employee and employer NICs.

Payrolling benefits and expenses

It is possible for an employer to *payroll* most benefits in kind that would normally have to be reported on a P11D. This avoids the need to complete individual P11Ds though not P11D(b)s.

For Income Tax purposes HMRC will usually adjust the affected employees' tax codes to recoup the Income Tax due via the PAYE process. However payrollling does not change

the NICs treatment. Expenses payments subject to class 1 NICs are added to the payroll and processed via PAYE. For benefits in kind subject to class 1A NICs, the employer does not have to complete P11Ds for each employee receiving the benefit, however the employer must complete a P11D(b) at the end of each tax year.

Payrolling is not available for employer-provided living accommodation and taxable loans.

Payrolling is optional and can be applied to some taxable benefits in kind but not others and to some employees but not others. Employers must register with HMRC to payroll benefits before the start of the tax year concerned.

PAYE adjustments

Employers must or may make various adjustments to the amounts payable to HMRC monthly or quarterly under the PAYE process. Such adjustments include:

Student loan repayments

Employers may be required to deduct student loan repayments from net pay and pay these to HMRC via the PAYE process. HMRC will usually notify employers of amounts to deduct from payments to specified employees. However there is no requirement to deduct student loan repayments from payments to deemed employees under IR35.

Statutory Maternity Pay

Most employers can reclaim 92% of employees' Statutory Maternity (SMP). Employers can reclaim 103% if they qualify for Small Employers' Relief.

Employment Allowance

Employers with employer class 1 NICs of at

most £100,000 in the previous tax year can claim an allowance against their PAYE liability of up to £4,000 per tax year. If employers are connected the £100,000 cap applies to the group employer class 1 NICs and there is one £4,000 for the entire group.

Veterans

For tax years 2021/22 to 2023/24, a zero rate of class 1 employer NICs will apply to the earnings of veterans during the first tax year of their civilian employment, up to a cap of £5,000 per veteran. A person will be a veteran if they have completed at least one day of basic training in the UK's regular armed forces.

It has not been possible to develop a payroll solution by April 2021, so eligible employers must pay the employer NICs on the earnings of eligible veterans and then claim the relief for the 2021/22 tax year from April 2022 onwards.

Apprenticeship Levy

If an employer's pay bill exceeds £3,000,000 in a tax year (including the pay bills of connected employers) the employer and any connected employers must pay an apprenticeship levy to HMRC as a part of the PAYE process.

The levy is 0.5% of the paybill over £3,000,000. If the paybill is under this, no levy is payable.

The paybill includes all payments to employees that are subject to employer Class 1 National Insurance Contributions, including payments to deemed employees under IR35, but excludes benefits in kind subject to class 1A NICs.

Employers may spend their levy on qualifying apprenticeship training but must do so within 24 months. Funds that remain unspent after 24 months expire and are lost.

Employee benefits and expenses

Expense payments are amounts paid to or put at an employee's disposal to cover costs incurred by the employee. Benefits in kind include use of employer-owned assets, services provided by an employer from its own resources and services the employer pays a third party to provide to an employee. Benefits and expenses payments can be divided into three categories according to the tax treatment:

- 1 Exempt** The benefit or expense payment is exempted from Income Tax and NICs and does not have to be reported to HMRC. However some exempt benefits and expense payments become taxable if provided under a salary sacrifice scheme (see below).
- 2 Deductible** Certain benefits and expense payments are exempt if not provided under a salary sacrifice scheme and taxable if provided under a salary sacrifice scheme.
- 3 Taxable** The benefit or expense payment is subject to Income Tax and/or NICs and must be taxed under the PAYE process or under the P11D process or included in a PAYE Settlement Agreement.

Salary sacrifice

A salary sacrifice arrangement (or *optional remuneration arrangement*) is one in which an employee gives up a right to monetary remuneration in return for a benefit or alternative payment, for example to obtain childcare vouchers or to obtain enhanced employer pension contributions.

Salary sacrifice can be a tax efficient way of providing benefits as it can allow the employer and/or employee to reduce their Income Tax and/or NICs liabilities.

For example, if an employee sacrifices salary in return for eligible employer pension contributions to a registered pension scheme, the employee's Income Tax and the employee and employer class 1 NIC's liabilities may be correspondingly reduced but with no extra Income Tax or NICs liability for the extra employer pension contributions. With effect from 1 April 2017 most exempt or deductible benefits or payments provided under salary sacrifice became taxable at the higher of the cash given up and the benefit value established according to the benefit valuation rules (see below). However this does not apply to salary sacrifice for certain exempt benefits, including for:

- employer contributions to a registered pension scheme
- pensions advice
- workplace nurseries and childcare vouchers
- cycles and cyclist's safety equipment
- statutory redundancy payments
- counselling and outplacement services
- retraining courses.

Transitional provisions for salary sacrifice agreements in place on 1 April 2017 expired on or before 31 March 2021.

PAYE Settlement Agreements

Employers can provide certain taxable expense payments and benefits in kind to employees without having to deduct Income Tax or NICs. Instead the employer takes on the Income Tax liabilities and pays a special type of National Insurance Contribution – class 1B employer NICs. This replaces any class 1 or 1A liability. The actual payment made or benefit provided is seen as made net of Income Tax and NICs and the employer

must pay Income Tax and class 1B NICs due on the grossed up amount.

PAYE Settlement Agreements (PSAs) must be agreed with HMRC in writing and are a contractual agreement. They are only available for payments or benefits that are minor, irregular or on which it is impracticable to operate PAYE or submit P11Ds.

- 1 Minor** This means minor as regards the sums paid or the type of benefit provided. Minor taxable benefits include small benefits above any applicable exemption limits. HMRC accept that the following are capable of being minor benefits: incentive awards; reimbursement of late night taxi fares outside the exemptions (see below); personal incidental expenses in excess of the overnight travel allowance (see below); a present for an employee in hospital if not a trivial benefit; staff entertainment, for example a ticket for Wimbledon; use of a pool car where the conditions for tax exemption are not satisfied; subscriptions to gyms, sports clubs etc; telephone bills; gift vouchers and small gifts. See PSA1060.
- 2 Irregular** This means the payment or benefit is provided on an irregular basis. HMRC accept that the following are capable of being irregular benefits: relocation expenses where the amounts concerned exceed the £8,000 tax exempt threshold (see below); occasional attendance at an overseas conference where not all the expenses qualify for relief; expenses of a spouse occasionally accompanying an employee abroad; occasional use of a company holiday flat; and one off gifts which are not minor. See PSA1070.
- 3 Impracticable** This means it is

impracticable to tax each employee. This often occurs where a benefit is shared amongst many employees. HMRC accept the following benefits are capable of being impracticable: free chiropody care; hairdressing services; Christmas parties and similar entertainment provided by the employer which do not already qualify for relief; cost of shared taxis home which do not satisfy the conditions for exemption; and shared cars. See PSA1080.

Under a PSA, at the end of each tax year the employer must establish the Income Tax and class 1B NICs due, using the methodology set out in the agreement and pay this tax to HMRC by the due date set out in the agreement, which is usually 22 October or 19 October if paid by post.

Valuing benefits in kind

There is a general rule for valuing benefits in kind, which is overridden by specific rules in particular circumstances.

Under the general rule, if a benefit is purchased by the employer, the benefit value is the cost to the employer, including VAT (even if wholly or partly recoverable for the employer), less any amount made good by the employee.

If a purchased benefit is shared amongst two or more employees, the cost must be apportioned to each employee.

If a benefit is provided from the employer's own resources (e.g. reduced fees for the children of teachers at a fee-paying school), the benefit value is the marginal additional cost of providing the benefit. HMRC accept that if there is no marginal additional cost then the benefit value is nil (EIM21111).

However there are some specific benefit

valuation rules, including for:

- living accommodation
- company cars and vans
- fuel for company cars and vans
- private use of business assets
- transfers of business assets
- interest-free or low-interest loans.

If a benefit is provided under a salary sacrifice arrangement, then the benefit value is the higher of the benefit value as established above, and the amount given up.

Exempt benefits and expenses

The following benefits and expense payments are tax exempt subject to any eligibility conditions and do not need to be processed via PAYE or reported on a P11D/P11D(b).

Additional homeworking costs

An exemption applies to payments by an employer to an employee for the additional costs of heating and lighting an employee's home where an employee works regularly at home by agreement with their employer.

Exemption applies to payments of up to £6 per week (£4 up to 5 April 2020). There is no need for the employee to keep supporting evidence. Higher rates may be paid if supporting evidence is obtained or if agreed with HMRC (EIM01476).

Approved mileage allowances

Exemption applies to payment of approved mileage allowances paid to employees using their own car, van, motorcycle or bicycle for business travel.

The approved rate for cars and vans is 45p per mile for the first 10,000 miles per tax year and 25p per mile thereafter. The approved rate for motorcycles is 24p per mile and for bicycles 20p per mile.

If an employee driving their own car or

van also carries passengers who are employees undertaking business travel then an additional amount of 5p per mile per passenger is allowable.

Annual parties and social functions

An exemption applies to the provision by an employer of annual parties and similar functions provided the event is open to all employees generally or all employees generally at a particular location and the cumulative cost per employee is no more than £150.

The cost of a single function per employee is the total cost of the function (including VAT) divided by the total number of persons (including non-employees) who attend (EIM21690).

If all employees or all employees at a particular location may attend several annual functions, the benefit value is the sum of the costs per head for each function.

If the total cost per head of all functions goes over £150 then whichever functions best utilise the £150 can be treated as exempt, the others are taxable benefits in kind and the excess can be included in a PAYE Settlement Agreement (see EIM21690).

Award schemes

In general benefits and payments under employer funded award schemes (e.g. awards for best performance) are taxable, however there are a few exemptions:

- **Long service awards** Non-cash awards to employees made to mark a period of not less than 20 years' service with the same employer are exempt. The benefit value of the award must not exceed £50 for each year of service. If the limit is exceeded, the excess is taxable but can be included in a PAYE Settlement Agreement. See EIM01500

- **Suggestion schemes** Employers can give awards of up to £25 for employment related suggestion schemes that are open to all employees or all employees of a particular type or in a particular location. The exemption is subject to several conditions – see EIM06610.

Bicycles and cycle safety equipment

The lending or hire of bicycles and cycle safety equipment to employees is exempt if the offer of cycles or safety equipment is open to all employees (at all locations) and the main use of the equipment by the employee is for travel between home and work or travel at work (including travel for training), see EIM21664.

Canteen meals

The provision of free or subsidised meals for employees is exempt if the meals are available to all employees at a particular location in a canteen or similar. The meals must be on a reasonable scale and not provided under salary sacrifice.

HMRC accept the canteen does not have to be on the employer's own premises, or restricted to the employees of one employer.

For example, on an industrial estate there may be a single canteen serving the employees of all employers on the estate. Meals provided in that canteen are within the exemption as long as they are available to all employees of the employers concerned.

If meals are provided in a restaurant or dining room of a hotel or a catering or similar business when meals are being served to the public, part of the dining area must be designated for employee use only and the employee meals must be taken in that part. See EIM21671.

Cars and vans

The provision of a car or van by an employer for use by an employee is an exempt benefit in kind in the following situations:

- 1 **No private use** If a car is made available by an employer to an employee and the terms on which the car is made available prohibit private use and the car is not used privately during the tax year in question, then its provision is an exempt benefit in kind, see EIM23400
- 2 **Pool cars and vans** A pool car or van is a car or van that is made available to more than one employee for business use only. Provided the following conditions are met. Any private use of the car that is incidental to business use does not give rise to a taxable benefit:
 - The vehicle is available for use and used by more than one employee.
 - The vehicle is available to each employee because they need it to do their job.
 - The vehicle is not ordinarily used by one employee to the exclusion of others.
 - The vehicle is not normally kept at or near employees' homes
 - The vehicle is used only for business journeys

Limited private use is allowed, but only if it is incidental to a business journey, for example occasionally driving home to allow an early start the next morning, see EIM23450.

- 3 **Vans with insignificant private use.** The provision of a van is exempt if private use of the van by the employee or member of the employee's family or household is nil or insignificant in the tax year concerned. HMRC accept that private use

is insignificant if it is:

- insignificant in quantity in the tax year as a whole (e.g. a few days at most)
- insignificant in quality (a week's exclusive private use is not insignificant)
- intermittent and irregular
- very much the exception in terms of the pattern of use of that van by that employee (or their family or household) in that tax year, or
- insignificant in absolute terms, not merely as a proportion of other use. See EIM22745

- 4 Vans with private use restricted to commuting.** If a van is made available to an employee and the terms on which the van is available prohibit its private use otherwise than for the purposes of ordinary commuting (travel between home and work) and neither the employee nor a member of the employee's family or household makes private use of the van otherwise than for ordinary commuting then a van benefit charge arises but the taxable benefit value is reduced to nil (in effect the benefit is zero-rated). This includes where the extent to which the restricted private use condition is not satisfied is insignificant. See EIM22800
- 5 Zero-emission vans** with effect from 6 April 2021 any van benefit charge in respect of private use of a van is zero-rated if the van is fully electric.
- 6 Cars for disabled employees.** Exemption applies to the hire or loan of a car by an employer to a disabled employee if the car has been adapted for the employee's special needs or has an automatic

transmission and the employee's disability prevents them driving a car with a manual transmission. The car must only be available for business travel, travel for eligible training and ordinary commuting and it must only be used for such journeys. If exemption applies to the hire or loan of the car, it also applies to employer provided or reimbursed car fuel and repairs. See EIM23660

- 7 Recharging electric cars.** No taxable benefit arises if an employer permits an electric or hybrid company car to be recharged from a charging point at the employer's premises.

No benefit arises if employees' own cars are charged from a charging point at the employer's premises providing the charging facilities are available to all the employer's employees generally, or all the employer's employees generally at the location concerned, see EIM23900 and EIM01035.

If an employer pays for a vehicle charging point to be installed at an employee's home, then no taxable benefit arises if the vehicle to be charged is a company car or company van, however if the vehicle is an employee's own, the installation is a taxable benefit and valued at the cost to the employer – see EIM23900.

Childcare

There are two key exemptions for childcare provided by or funded by an employer:

- 1 Workplace nurseries:** an exemption applies to the provision by an employer of a workplace nursery. The nursery must be available to the qualifying children of all

the employer's employees generally or, if the employer has premises at more than one location, it must be open generally to the qualifying children of employees at the location at which the scheme operates.

A child is qualifying for the purposes of this exemption up to the last day of the week in which falls the 1 September following their 15th birthday or their 16th birthday if the child is disabled. The employee must live with the child or have parental responsibility for the child or be their parent or step parent. See EIM22001.

- 2 **Childcare vouchers** of up to £55 per week providing all staff at a particular location are eligible for the scheme, and provided the carer is registered or approved. From 4 October 2018 the childcare voucher scheme has been closed to new entrants but remains open for employees in the scheme before 4 October 2018, see EIM16230.

DBS certificates

There is no liability to tax where an employer pays directly for or reimburses an employee for a fee in connection with obtaining a Disclosure and Barring Service (DBS) Certificate or Disclosure Scotland (DS) Certificate required for employment purposes, including any update service subscription fees.

Equipment

There are several exemptions for the provision by an employer of employer owned equipment or other tangible assets for use by an employee (excluding cars, vans and living accommodation which are subject to their own rules):

- 1 **Business equipment:** Where an employer provides an employee with use of employer owned equipment such as a laptop or office chair, no benefit arises if any private use is not significant. For computers, HMRC's policy is that where a computer is provided because it is necessary for an employee to be able to carry out the duties of the employment either at home, or whilst travelling or at work, it is highly unlikely that any private use made of that equipment will be significant when compared with the business need for providing the computer in the first place (EIM21613).
- 2 **Mobile phones:** an employer may provide one mobile phone to an employee with exemption for any line rental or the cost of any private calls paid for by the employer. Private use does not have to be insignificant. See EIM21780.
- 3 **Disabled employees:** No taxable benefit arises if equipment (excluding cars, vans and living accommodation) or facilities are provided to a disabled employee, even if the employee makes significant private use, for example the provision of a wheelchair for use both at work and outside work. The main purpose of the employer in providing the equipment must be to enable the employee to perform the duties of employment and the benefit must be available to all employees on similar terms. See EIM21846

Health-related benefits

Health-related exemptions include:

- One annual medical check or health screening per employee per tax year.
- Eye tests if required by health and safety

legislation or for employees who use a computer monitor or other screen.

- Provision of glasses or contact lenses if an employer has to provide them for monitor or screen work.
- Medical treatment outside the UK if an employee is working overseas and needs treatment.
- Medical treatment up to £500 to help an employee return to work if the employee has been absent from work because of injury or ill health for at least 28 consecutive days.
- HMRC accept that the provision of seasonal flu injections can be seen as a trivial benefit – see [Trivial benefits](#) below.

Living accommodation

The provision by an employer of living accommodation for an employee and their household is exempt in three situations as outlined below. In this context living accommodation means long term accommodation and excludes short term accommodation for business travel (for which see [Business Travel](#) below).

- 1 Exemption applies if it is necessary for the proper performance of the duties of employment that the employee must live in specific accommodation and no other. HMRC accept the following qualify for exemption on this basis (EIM11342):
 - on call caretakers living on the premises
 - stewards and green keepers living on the premises
 - on call wardens of sheltered housing schemes
 - agricultural workers who live on farms or agricultural estates
 - lock-gate and level-crossing gate keepers.

- 2 Exemption applies if provision of living accommodation is customary for the role and is provided for the better performance of the duties of employment. HMRC accept this applies to the provision of living accommodation (EIM11351):

- in or near boarding schools for head teachers, bursars, matrons, nurses and doctors and other teachers with pastoral or other irregular contractual responsibilities outside normal school hours (for example house masters)
- for clergymen and ministers of religion unless engaged on purely administrative duties
- for live in managers of: newsagent shops that have paper rounds; public houses and traditional off-licence shops.

- 3 This exemption applies to 5 April 2021 only. Exemption applies to living accommodation provided by an employer to an employee who is a *representative occupier*.

A representative occupier is an employee who resides in accommodation provided rent free by the employer; who as a term of the contract of employment is required to reside in that particular accommodation and is not allowed to reside anywhere else; and the employee is reasonably required to reside in it for the better and more effectual performance of the duties of employment.

Before 5 April 1977 the provision of living accommodation to representative occupiers was exempt. This practice continued until 5 April 2021 by HMRC concession, including for employees who succeed to a representative occupier post, provided the circumstances remained unchanged.

Accommodation-related costs

If exemption applies then employer payments for or reimbursements for Council Tax and water and sewerage charges are also exempt, as are structural works carried out by the landlord and works that are the landlord's legal responsibilities.

Payment of or reimbursement by the employer for heating, lighting, cleaning, repairs, maintenance, decoration and domestic furniture and equipment are taxable however the taxable amount is capped at 10% of the employee's net earnings less any contribution by the employee, see EIM21721.

Overnight travelling expenses

An exemption applies to the reimbursement of miscellaneous expenses of up to £5 per night for business journeys in the UK and £10 for journeys outside the UK where the employee is required to work away from home. See EIM02710

Parking facilities

The provision of parking for an employee is exempt if at or near the employee's place of work. Parking includes the provision of space for parking a car, motorcycle or bicycle. See EIM21685.

Pensions

There are several exemptions related to registered pension schemes. Registered pension schemes include both occupational and personal pension schemes, as well as other types of pension scheme.

- **Employer pension contributions** to a registered personal pension scheme for an employee are exempt from both Income Tax and NICs.
- **Employee pension contributions** to a

registered pension scheme receive tax relief up to certain limits. Depending on the type of pension scheme, tax relief may be given by the employer deducting eligible employee pension contributions from gross pay before calculation of any Income Tax liability but after calculation of any class 1 NICs liability; by deducting the contributions from net pay with the pension scheme reclaiming any Income Tax from HMRC; or by deducting the contributions from net pay with the employee claiming a tax refund directly from HMRC. If in doubt, advice should be obtained from the pension provider.

- **Pensions advice** If an employer provides pensions advice to its employees, or pays or reimburses the costs of pensions advice incurred by the employee, the cost of this advice is exempt up to £500 in a tax year. The pensions advice or reimbursement must be provided under a scheme that is open to all of the employer's employees, or to all employees at a particular location, or to all employees who have reached the minimum qualifying age for the employer's registered pension scheme or if the employer is satisfied, on the basis of evidence provided by a registered medical practitioner, that the employee is (and will continue to be) incapable of carrying out their occupation because of their physical or mental impairment. See EIM21803
- **Scheme transfers** Where an employer converts a defined benefit pension scheme into a defined contribution scheme, the employer may be required by law to arrange or pay for appropriate independent advice for the pension scheme members. The provision or

payment by the employer in such circumstances is an exempt benefit or payment if not provided under salary sacrifice. See EIM21802.

Recreational facilities

No benefit arises from the provision by an employer for employees, former employees or members of their families or households of qualifying sports or recreational facilities or vouchers for such facilities. This includes provision of recreational facilities by a third party if the employee is working at the premises of the third party.

A qualifying sports or recreational facility is one that is available generally to all the employees of the employer concerned, is not available to members of the public generally and is used wholly or mainly by employees or former employees and members of their families or household.

HMRC accepts that exemption is not blocked if an employer opens a recreational facility to a restricted section of the public, for example, those who live in the immediate vicinity of the facilities. See EIM21827.

Relocation expenses

The payment of, or reimbursement by, an employer of relocation expenses of up to £8,000 per move including bridging loan costs is exempt if an employee takes up a job or is transferred within an organisation. Any excess is taxable but can be included in a PAYE Settlement Agreement. See EIM03101.

Small beneficial loans

The provision of an interest-free or low-interest loan to an employee is an exempt benefit in kind for a tax year if the total balance outstanding remains under £10,000 throughout the tax year. Typically this

exemption is used to exempt small loans for public transport season ticket. See EIM26140.

Taxis and public transport

The following qualify for exemption:

- 1 **Late-night taxis** Exemption applies to payment for, or reimbursement of, late-night taxis on up to 60 occasions per tax year provided:
 - they are irregular
 - the employee is required to work later than usual and until at least 9.00 pm; and by the time the employee ceases work public transport has ceased or it would not be reasonable to expect the employee to use it.

If the 60-journey limit is exceeded in a tax year, this does not disqualify any of the first 60 qualifying journeys from the exemption.

For the provision of a late-night taxi home to be irregular, the journey must be a consequence of a requirement to work late that is different from the employee's established pattern of working. See EIM21831.

- 2 **Failure of car-sharing arrangements** Payment for or reimbursements of taxi fares in respect of failure of an employee car-sharing arrangement is exempt. These also count towards the 60 per tax year cap in (1) above. See EIM10210.
- 3 **Disabled employees** Payment for, or reimbursement of, transport costs for journeys between work and home for a disabled employee are exempt. There is no 60 per tax year limit. See EIM23660.
- 4 **Strikes and other industrial action** The provision or reimbursement by an employer of travel to or from a permanent workplace and accommodation near

to a permanent workplace is exempt if it occurs because public transport is disrupted by a strike or other industrial action. Exemption covers the provision of overnight accommodation near the employee's permanent workplace, payments to the employee for expenses of such accommodation, the provision of transport for ordinary commuting and payments to the employee for expenses of such transport. However there is no tax relief for costs met by the employee that are not reimbursed. See EIM10100

Training and education

There are several exemptions related to training and education:

1 Work-related training The provision by an employer of work-related training for an employee is exempt. Work-related training is any training course or other activity which is designed to impart, instil, improve or reinforce any knowledge, skills, or personal qualities which: are, or are likely to prove, useful to the employee when performing his/her duties; or will qualify or better qualify the employee to undertake the employment, or to participate in charitable or voluntary activities arising through the employment. The exemption includes associated travel and subsistence costs such as catering, travel and accommodation, including where the training takes place outside the UK. Exemption covers payments made directly by an employer and employer reimbursements to employees who pay such costs but excludes payments made by employees which are not reimbursed by the employer. The exemption excludes subsistence costs which would be taxable

but for the training, for example, training that takes place at an employee's permanent workplace. See EIM01210.

2 Retraining courses Employees and former employees are exempt from any charge to tax in respect of costs met by their employer, or former employer, for training courses enabling them to acquire skills or knowledge which might help them to obtain further employment, or to become self-employed. The exemption is subject to several conditions, for which see EIM05010.

3 Outplacement counselling services

When an employment is terminated, the employer may pay for the employee to receive professional advice and assistance designed to help the employee cope with the situation and find a new job. Such professional advice is known as outplacement counselling. Provided various conditions are met, the provision of counselling services and any associated subsistence costs is an exempt benefit, see EIM13745.

Trivial benefits

Trivial benefits such as tea and coffee provided for employees, small seasonal gifts and gifts on special occasions such as marriage or the birth of a child are exempt if they are *trivial*. A benefit is trivial if it meets all four of the following conditions:

- 1** The benefit is not cash or a cash voucher, (however retail vouchers are acceptable).
- 2** The *benefit cost* of the benefit does not exceed £50. benefit cost means the cost of providing the benefit to the employee, or if the same benefit is provided to more than one employee, the average cost.
- 3** The benefit is not provided under

salary sacrifice or under a contractual obligation.

- 4 The benefit is not provided in recognition of particular services performed by the employee in the course of the employment or in anticipation of such services. This condition excludes the provision of working lunches by employers.

If the employer is a *close company*, and the employee is a person who is a director or other office-holder of the employer, or a member of the family or household of such a person, then the benefit cost of all benefit provided to the employee in a tax year must not exceed £300.

HMRC accept that the following can be classed as trivial benefits (EIM21863):

- Access in the workplace to tea, coffee or water from a cooling dispenser.
- Repairs to employer-provided cycles where the cost to the employer of each repair is £20 or less.
- Small gifts made in recognition of a particular event such as an employee's marriage or birth of a child.
- Seasonal gift, such as a turkey, an ordinary bottle of wine or a box of chocolates at Christmas.
- Seasonal flu immunisations.

Welfare counselling

The provision by an employer of eligible welfare counselling services for employees is exempt. The services must be made available to all employees on similar terms.

Eligible services include counselling in respect of:

- stress
- Problems at work
- debt problems

- alcohol and other drug dependency
- career concerns
- bereavement
- equal opportunities
- Ill-health
- sexual abuse
- harassment and bullying
- conduct and discipline
- personal relationship difficulties.

but exclude:

- advice on finance
- other than advice on debt problems
- advice on tax
- advice on leisure or recreation
- legal advice.

From 6 April 2020, exemption includes employer provision of counselling services which are also medical treatments, such as Cognitive Behavioural Therapy or Interpersonal Therapy. See EIM21845.

Welfare counselling services are sometimes provided via purchased Employee Assistance Programmes (EAPs). For HMRC guidance on EAPs see EIM21845.

Deductible benefits and expenses

Certain benefits and expense payments are classed as *deductible*. Deductible benefits and expenses are exempt if not provided under salary-sacrifice and taxable otherwise. These include:

- Business travel
- Foreign travel
- Subscriptions to certain professional bodies
- Expenses incurred wholly, exclusively and necessarily in the performance of the duties of the employment. These include expenses incurred in purchasing and maintaining protective clothing, uniforms and tools and equipment that are

necessary for carrying out the duties of employment

Salary sacrifice means the employee sacrifices some of their pay for the benefit or payment. See above.

Business travel

Business travel is travel whilst carrying out the duties of employment (e.g. a bus driver) or travel for necessary attendance at a temporary workplace (e.g. travel to visit a business client). However business travel excludes travel between an employee's home and a permanent workplace (*ordinary commuting*).

Deductible business travel expenses include transport and accommodation costs and the cost of meals and refreshments taken whilst travelling. Employers can either reimburse expenses paid by employees or pay for the business travel costs directly. If the employer does not fully fund any business travel expenses incurred by the employee, the employee may be able to make a claim to HMRC to deduct the shortfall from their taxable income.

Permanent and temporary workplaces

A temporary workplace is a place the employee attends to perform a task of limited duration or for some other temporary purpose.

However if an employee has spent, or is likely to spend, 40% or more of their working time at a workplace over a period that lasts, or is likely to last, more than 24 months, or for all or almost all of the time the employee will be employed, then the workplace is classed as permanent (see EIM32080).

A depot or base is also classed as permanent for an employee if they attend regularly and

the main reason they go there is because it is the place from which they work or at which they are routinely allocated tasks or given instructions, see EIM32065.

Meals and refreshments

Employers can choose to reimburse employees for meals and refreshments taken whilst on business travel on a cost reimbursement basis or by using HMRC's benchmark rates. If using the benchmark rates there is no requirement for the employee to retain receipts however the employer must operate a system for checking that the employees concerned are in fact incurring and paying amounts in respect of the amounts claimed.

The UK benchmark rates are:

- **Breakfast rate £5** The employee must leave home earlier than usual and before 6am and incur a cost on breakfast taken away from home.
- **One meal (5 hour) rate £5** Where the employee has been undertaking qualifying travel for a period of at least 5 hours and has incurred the cost of a meal.
- **Two meal (10 hour) rate £10** Where the employee has been undertaking qualifying travel for a period of at least 10 hours and has incurred the cost of a meal or meals
- **Late evening meal rate £15** Where the employee has to work later than usual, finishes work after 8pm having worked their normal day and has to buy a meal before the qualifying journey ends which they would usually have at home.
See EIM30240.
- **Foreign travel** For foreign travel, HMRC provide a list of benchmark rates that can be used for travel in particular states

and cities/regions around the world. See [Further Information](#).

- **Bespoke agreements** HMRC is prepared to enter into bespoke agreements for the payment or reimbursement of business travel expenses. An application must be made to HMRC setting out the rate that the employer wishes to pay and evidence that the amount is reasonable. HMRC may be prepared to accept evidence in the form of a sampling exercise, see EIM30250.

Foreign travel

Where UK resident employees of UK resident employers travel outside the UK some travel costs that would not be deductible under the business travel rules (above) become deductible if paid for by the employer or if refunded by the employer.

These include:

- If the duties of employment are performed wholly outside the UK, then the cost of the initial travel from the UK to take up the employment and the costs of return travel to the UK at the end of the employment are deductible, as are return visits (interim journeys to the UK and back)
- If the duties of employment are performed partly in the UK and partly outside, then costs incurred in travelling between the two locations are deductible, there is no limit on the number of return trips
- The travel costs of a spouse, civil partner or child (up to 18) can also be deducted if the person is visiting or accompanying the employee, provided the employee is absent from the UK for at least 60 days. HMRC policy is to permit deduction for up to two outward and two inward journeys per person per tax year (see EIM34050)

These deductions apply only to the costs of travelling from the UK and back (including transport, accommodation, meals etc.), they exclude the costs of travel, accommodation and subsistence when at the non-UK location, which may or may not be deductible under the business travel rules for temporary workplaces or exempt under the exemption for work related training.

Overseas conferences and training

If a UK-based employee travels to a work related conference or training course that takes place outside the UK and the travel costs are paid for or refunded by the employer then the travel and subsistence costs are likely to be exempt under the work related training exemption (see above).

However the work-related training exemption does not extend to the travel and subsistence costs of spouses, civil partners or children, though HMRC permit deduction for the costs of a spouse where:

- the spouse has some special skill or qualification associated with the employee's job that is needed on the trip
- the presence of the spouse is essential to host a series of business entertaining occasions
- the employee's health is so poor that it would be unreasonable for him or her to travel alone (HMRC permit deduction for the travel costs of a spouse or other carer).

See EIM31985

Professional subscriptions

Subscriptions and fees paid towards certain professional bodies are deductible. The fees can be paid directly by the employer or paid by the employee and reimbursed. HMRC provides a list of eligible bodies (List 3). See [Further Information](#) below.

Wholly, exclusively and necessarily

Other expense payments are deductible if the employee is obliged to incur the expense as holder of the employment and the expense is incurred wholly, exclusively and necessarily in the performance of the duties of employment:

- “... as holder of the employment” mean the test considers the requirements of the job rather than the circumstances or preferences of the employee.
- “...wholly and exclusively” prevents a deduction for expenditure that serves a dual purpose, for example a purchase of everyday clothing is seen as dual purpose as the clothing serves private purposes such as warmth and decency. However deductions are permissible for protective clothing and uniforms, see below.
- “... necessarily” means that each and every holder of that employment would have to incur expenditure of that type.

Protective clothing and uniforms

HMRC accept a deduction can be permitted for the cost of genuinely protective clothing that is worn as a matter of physical necessity because of the nature of the job and where the employee must bear the cost. This will typically cover items such as overalls, protective gloves, boots and personal protective equipment (PPE), see EIM32470.

HMRC also accept a deduction can be permitted for clothing that is recognisably a uniform or part of a uniform, where the employee is required by their duties to wear it and must bear the cost of it, see EIM32475.

Where the costs of purchasing protective clothing or uniforms are deductible, then so are the costs of cleaning and repairing the items.

Flat rate allowances

Where employees are obliged to spend small amounts in maintaining or renewing tools and special clothing that are necessary to carry out the duties of their employment, flat rate allowances may be available as deductions. These have generally been negotiated with HMRC by Trades Unions or sector bodies but are available to all employees in the related sectors.

The flat rate amount is only deductible where the expense falls on a qualifying employee and the employee must make a claim to HMRC with the allowance usually being given by amendment to the employee’s tax code.

There are flat rate allowances for employees in a variety of sectors including:

- agriculture
- construction
- food processing
- forestry
- healthcare services
- printing
- wood- and furniture-related trades.

see EIM2700.

Taxable benefits and expenses

Taxable benefits include:

Company cars, vans and fuel

Car benefit charge

If an employer provides a car (a *company car*) for use by an employee and private use is permitted or occurs in a tax year, a *car benefit charge* is assigned to the private use and subjected to Income Tax and class 1A NICs via the P11D process. If the car is only available for part of a tax year, the car benefit charge is reduced proportionately.

The car benefit charge covers all benefits provided by the employer in connection

with the car, including its maintenance and repair, cleaning, insurance and payment of congestion charges, however it excludes provision of fuel for private use (see below) and the provision of a driver or chauffeur (see EIM23035).

The car benefit charge is calculated on the basis of the official list price of the car plus the official list prices of any accessories, multiplied by a percentage which varies with the car's CO2 emission rating. If an employee pays a capital contribution towards the car purchase, that reduces the list price value.

HMRC provide a P11D worksheet for calculating car benefit charges, see [Further Information](#).

When an employee is first provided with use of a company car, or where the car changes or is modified or if use of the car ceases, the employer must submit a P46(car) to HMRC.

CO2 emission rating

A car's CO2 emission rating is usually recorded on the car's registration certificate (V5C). For cars first registered before 6 April 2020 the NTPL CO2 rating should be used, and for cars first registered on or after 6 April 2020, the WLTP CO2 rating should be used. The official rating should be rounded down to the nearest 5g/km, for example 189 g/km rounds down to 185 g/km.

If a car does not have an official CO2 rating, or if the car was first registered before 1 January 1998, the percentage multiplier is based on the car's engine size, see EIM24975.

Fully electric and hybrid cars

For tax year 2020/21 the percentage multiplier for a zero-emission (fully electric) car is 0%, rising to 1% in 2021/22 and 2% in 2022/23.

For hybrid cars, with a CO2 rating of 1 – 50g/

km, the percentage multiplier also depends on the car's electric only range, see EIM24611.

Disabled drivers

If a company car is provided for a disabled employee:

- If the disability prevents the employee from driving a car with a manual transmission, the list price is capped at the lower of the list price of the car and the list price of an equivalent car with manual transmission, and the CO2 emissions rating of the equivalent manual car can be used if lower than that of the automatic they drive, see EIM23650.
- Any accessories which are required to enable the employee to use the car are ignored in the calculation of the list price, see EIM23650.

Car fuel benefit charge

A car fuel benefit charge arises in a tax year if car fuel (petrol, diesel or LPG but not electricity) is provided by an employer to an employee for a company car that attracts a car benefit charge and private use of the fuel is either permitted or occurs in the tax year.

However there is no charge if the employee refunds all fuel put to private use, or if fuel is provided for business travel only, or if the employee pays for all fuel and the employer refunds the employee for business travel only.

The car fuel benefit charge is a fixed sum (2020/21: £24,500, 2021/22: £24,600), set for each tax year, multiplied by the same percentage used to calculate the car benefit charge.

The car fuel benefit charge is subject to Income Tax and class 1A NICs via the P11D process.

Advisory fuel rates

Employers can use HMRC's *advisory fuel rates* to decide how much an employee driving a company car:

- should make good in respect of private use if the employer provides the fuel, or
- can be paid in respect of business use if the employee pays for the fuel.

For these purposes fuel includes electricity. HMRC publishes a list of advisory fuel rates which is updated quarterly (see [Further information](#)). The rates are expressed as a pence per mile, the amount varying with the engine band (small, medium or large) and the type of fuel (petrol, diesel or LPG).

For hybrid cars, the rate to use is the appropriate rate for the non-electric type of fuel. For fully electric cars, a 4p per mile rate can be used.

VAT and company cars

A special VAT regime applies to company cars.

If a company car is purchased by an employer and made available to an employee for business and private use then none of the VAT incurred on purchase of the car can be recovered. However this does not apply if the car is not available for private use or is leased to the employee at or above the market rate for the car.

If an employer acquires a company car under a lease and the car is available for private use by the employee, VAT recovery on 50% of the leasing fee is blocked.

If the employer purchases road fuel for a company car then the employer has four options:

- 1 If the fuel is available for business travel only, then the employer can reclaim the VAT subject to the usual VAT recovery rules.

- 2 If the fuel is available for both business and private travel and the employer keeps records to distinguish between private and business travel, the employer can claim the VAT incurred on the business travel, subject to the usual VAT recovery rules.
- 3 If the fuel is available for both business and private travel the employer can account to HMRC for output VAT in respect of private use using HMRC's *fuel scale charges*. This permits the employer to reclaim all VAT on fuel, subject to the usual VAT recovery rules. The fuel scale charges are based on the car's CO₂ emission rating, but are not the same as the advisory fuel rates. See VAT Notice 700/64 section 9.
- 4 If the fuel is available for both business and private travel the employer may decide not to claim any of the VAT incurred on the fuel.

Van benefit charge

A van benefit charge is incurred if a van is made available for private use by an employee in a tax year and the conditions for exemption are not met (see [Exempt benefits and expenses: cars and vans](#) above).

The van benefit charge is a fixed amount (2021/22: £3,490) which is proportionately reduced if the employee:

- cannot use the van for 30 or more consecutive days or
- pays towards any private use of the van.

If several employees use a van the van benefit charge should be apportioned between the employees.

Van fuel benefit charge

A van fuel benefit charge arises if any fuel is provided by the employer (whether or not for private use) for a van subject to the van

benefit charge and the restricted private use condition (see [Exempt benefits and expenses: cars and vans](#) above) is not met. The van fuel benefit charge is a fixed amount (2020/21: £666) but is reduced for contributions made by the employee.

Interest free and low interest loans

Interest free or low interest loans that do not qualify for exemption (see above) are taxable. The benefit value is the difference between the interest that would be payable using the HMRC official rates of interest and the interest the employee pays, if any. HMRC provide a P11D worksheet for calculating the loan benefit charge, see [Further Information](#).

Living accommodation

The provision of living accommodation (excluding the provision of temporary living accommodation for the purposes of business travel) is a taxable benefit unless one of the exemptions for living accommodation applies (see above).

A benefit value is calculated using a formula based on the value of the accommodation. HMRC provide a worksheet for calculating living accommodation benefit values, see [Further information](#). Any contribution by the employee reduces the benefit value. The benefit value is subject to PAYE and class 1A NICs.

No benefit arises if the employer carries out structural works to the property or fulfils statutory or contractual obligations in respect of the property as landlord, however such works may enhance the value of the property resulting in a higher living accommodation benefit charge.

Loans written off

If a loan to an employee is written off then

the amount written off is treated as earnings and subject to Income Tax via the P11D process, but subject to class 1 NICs via the PAYE process, on the basis the employer has settled a pecuniary liability of the employee's.

However, no charge arises on the release or writing off of a loan made to a relative if it can be shown that the director or employee derived no personal benefit from the loan. No charge arises where a loan is waived or written off on or after the death of the employee. See EIM21742.

Private health insurance

The provision of private health insurance for an employee is in general a taxable benefit the benefit value being the cost to the employer. However some health-related benefits are exempt see [Health related exemptions](#) above.

Private use of business assets

The private use by an employee of a business asset (excluding company cars and living accommodation) is a taxable benefit if any private use is more than insignificant. The annual benefit charge is 20% of the value of the asset when first made available, but reduced for business use and for periods when the asset is unavailable for use. See EIM21873

Transfer of business assets

Where an employer gives an employee a business asset with transfer of ownership the benefit value is the market value of the asset at the date of transfer, less any amount paid by the employee. If the asset has previously been subject to a private use charge, an adjustment is made to the transfer value.

Termination payments and benefits

Payments and benefits provided on termination of an employment are subject to a special Income Tax and NICs regime.

All termination payments and benefits must be split into their component parts, each of which may be taxed as follows:

- **Exempt** – some components may be exempt on general principles, for example reimbursement of outstanding business travel expenses. There are also some specific exemptions for termination payments and benefits – see below.
- **Fully taxable** – some components are treated as fully taxable and subject to Income Tax and class 1 or class 1A NICs as earnings.
- **Taxable over £30,000** – termination payments and benefits that are neither exempt nor fully taxable are taxable only to the extent the total value of such payments and benefits exceeds £30,000. Any excess over £30,000 is subject to Income Tax and employer Class 1A NICs but not class 1 NICs.

However any employer class 1A NICs payable on a termination award are due when the award is made and must be reported and paid via the PAYE process, though ongoing benefits in kind provided to ex-employees are dealt with via the P11D process. See the HMRC examples below for of how this works in practice.

Exemptions

There are a few special exemptions and reliefs for termination payments and benefits:

- Employer contributions to a registered pension scheme – see EIM13735.
- Eligible lump sum payments from a registered pension scheme can be

provided tax free, see EIM13660.

- Some payments on the death or injury of an employee, see EIM13600 and EIM13610.
- Some payments to meet an employee's legal costs – see EIM13740
- Benefits that would be exempt if the employment continued, for example continued use of a mobile phone, see EIM13500.
- Retraining courses and outplacement counselling services (see exemptions above)

Fully taxable

Fully taxable payments and benefits include:

- contractual entitlements for time worked including salary, overtime, bonuses, holiday pay (including for gardening leave)
- payments in lieu of notice whether or not contractual. There is a formula for the calculation of payments in lieu of notice, see Post Notice Employment Pay below
- payments for restrictive covenants

£30,000 pot

Components that are likely to go into the £30,000 pot include:

- statutory and enhanced redundancy payments
- ex-gratia payments (non-contractual)
- damages and compensation for breach of contract or unfair dismissal.

Post Notice Employment Pay

Where a payment is made in lieu of notice the fully taxable amount (*Post Notice Employment Pay* or PNEP) must be calculated according to the formula:

$$\text{PNEP} = \frac{(\text{BP} \times \text{D})}{\text{P}} - \text{T}$$

- **PNEP** the amount of payment in lieu

of notice that must be treated as fully taxable.

- **BP** the employee's basic pay in respect of the last pay period of the employment ending before the termination date, excluding overtime, bonus, commission and similar payments and taxable benefits in kind.
- **D** the number of calendar days in the post-employment notice period, which is the period beginning at the end of the last day of employment and ending with the earliest lawful termination date.
- **P** the number of calendar days in the employee's last pay period.
- **T** any payment, or benefit received in connection with the termination which is fully taxable, but excluding holiday pay and bonuses payable for termination of the employment.

Simplified calculation

If **P** is a month, the employee's contractual minimum notice period is a whole number of months and **D** is a whole number of months then a simplified calculation can be made by setting **P** = 1 and calculating **D** in months rather than days.

Alternative calculation

If **P** is a month, the employee's salary is paid by 12 equal monthly instalments, and **D** is not a whole number of months, then the employer may substitute 30.42 ($365 \div 12$) as the value of **P** where doing so is to the advantage of the employee.

With effect from 6 April 2021 this approach will be mandatory in this scenario. For an example, see the HMRC examples below.

Termination benefits in kind

Where ownership of an asset is transferred to an employee as part of a termination

package the employer must assign the appropriate cash equivalent value to the asset and treat this as a benefit in kind on disposal.

For example if an employer lets an employee keep a company laptop, the cash equivalent value is the market value of the laptop at the date of transfer.

Where a benefit in kind is provided for personal use for a period of time following termination of employment (for example, permitted continued use of a company car for a period following the end of employment), the employer must report the resulting benefit in kind using the P11D(b). This should be done even if the provision of the benefit in kind extends beyond the tax year in which the employment was terminated.

When a termination award comprises cash payments and the gifting of an asset, such as the employee retaining a company car as their own property, then the £30,000 threshold must be applied to the cash element first and any available balance should then be applied against the cash equivalent value of the asset gifted to the employee.

HMRC examples

PNEP calculation

Scenario: An employee is paid £3,000 per calendar month on the first day of each month and is entitled to 2 weeks' notice. Her contract is terminated without notice with effect from 1 March. She receives a total termination package of £10,000.

Tax assessment:

BP = £3,000

D = 14

P = 28 (assuming a 28 day February)

T = 0

$$\text{PNEP} = \text{£}3,000 \times 14 \div 28 - \text{£}0 = \text{£}1,500$$

But it is advantageous to use P = 30.42:

$$\text{PNEP} = \text{£}3,000 \times 14 \div 30.42 - \text{£}0 = \text{£}1,380$$

See EIM13886.

Gift of company car

Scenario: Mick's employer terminates his employment. The employer provides Mick with a termination package worth £110,000 made up of:

- A. Earnings up to the date of termination - £35,000.
- B. Payment in lieu of notice, £15,000.
- C. A company car gifted to Mick, cash equivalent value, £10,000.
- D. Compensation for loss of employment, £55,000.

Tax assessment:

Class 1 NICs are due on the £50,000 earnings (A + B).

Class 1A NICs are due on cash/ cash-equivalent termination award (C + D) after the £30,000 exemption has been applied to that amount. £65,000 - £30,000 = £35,000 is subject to Income Tax and class 1A NICs.

Continued use of company car

Scenario: Peter has his employment terminated during the 2020/21 tax year. His employer provides him with a termination package with a total value of £75,000 made up of:

- E. Earnings up to date of leaving and holiday pay, £10,000.
- F. Payment in lieu of notice, £15,000.
- G. Benefits in Kind arising on Peter's company car in 2020/21 tax year, £10,000.
- H. Benefits in kind arising on Peter's continued use of his company car in 2021/22 tax year, £10,000.

- I. Compensation for loss of employment, £40,000.

Tax assessment:

Income Tax and Class 1 NICs are due on the £25,000 earnings (E + F).

The termination award consists of £40,000 (I). The £30,000 termination threshold is applied against (I) leaving a balance of £10,000 liable to Income Tax and Class 1A NICs.

The Income Tax and class 1A NICs must be paid and reported through PAYE, on or before that termination award is paid.

Class 1A NIC liabilities arising on the provision of a company car in 2020/21 and 2021/22 tax years must be paid and reported through the P11D(b) process.

Trustees and volunteers

Reimbursed expenses

Charities may reimburse or pay for the expenses of an unpaid trustee or volunteer incurred in working for the charity, for example:

- Travel to and from home.
- Travel, subsistence and accommodation whilst on charity business.
- Childcare costs.
- Cost of telephone calls and household expenses incurred on charity business.

Providing the charity does no more than reimburse the extra costs incurred by a volunteer or unpaid trustee the payments or reimbursements should not be seen as taxable income for the volunteer or unpaid trustee.

Round sum allowances

Round sum allowances may be regarded as remuneration for work done and therefore subject to Income Tax and NICs. The risk is the volunteers may then be seen as an employee for employment protection and minimum wage requirements and the volunteer's entitlement to state benefits may also be affected. Similarly unpaid trustees may be seen as paid office holders. However, scale rate payments that are calculated so as to do no more than reimburse costs incurred are permissible.

Honoraria

If an officer is paid a flat-rate honorarium to cover out-of-pocket expenses then this risks being seen as earnings from an office for the officer concerned if it cannot be shown to do no more than reimburse the officer's expenses. It may be better to structure payments for expenses as scale rate payments, calculated so as to do no more than reimburse actual costs incurred.

Mileage allowances

HMRC accepts that mileage allowances paid at the approved rates for travel by volunteers in their own vehicles in carrying out their duties (see [Exempt benefits and expenses](#) above) do not give rise to a tax liability, see EIM71160.

This includes home-to-work travel. If higher rates are paid, the charity must be able to justify them on the basis that they reflect the actual cost to the volunteer.

Financial loss allowances

Compensation for loss of earnings is exempt if the recipient holds an unpaid office with a *relevant authority*; the allowance is paid solely to compensate the recipient for a loss of earnings as a result of holding the office; and the compensation does no more than cover the loss of net earnings.

Relevant authorities include government departments; local authorities; trades unions; local medical committees; and other public bodies. See EIM01125.

Research volunteers

HMRC accepts that financial loss allowances paid to research volunteers, lay participants and participants in clinical trials will have no tax or NIC consequences if the sums received do no more than reimburse the individual's reasonable costs of participating in the trial or research, including costs of travel and subsistence.

This includes small sums paid to volunteers in research projects to cover out of pocket expenses and as compensation for the time spent and payments to people who are invited to attend meetings to give their views on various matters to inform the research process and direction. See EIM71105.

COVID-19 pandemic measures

The UK government has introduced a variety of employment related tax measures and relaxations as a result of the COVID-19 pandemic. There include:

Coronavirus Job Retention Scheme

Under the CJRS employers may be able to claim from HMRC a refund of up to 80% of regular salary paid in respect of employees that have been furloughed. Furloughed means the employee is retained on the payroll but does not carry out any work for the employer. The CJRS has (at the time of writing) been through several iterations and changes and is expected to end on 30 April 2021.

Office equipment for home working

The government has introduced a temporary exemption for the reimbursement of employee expenses incurred in purchasing office equipment for use at home. The equipment must be obtained for the sole purpose of enabling the employee to work from home as a result of the coronavirus outbreak, and any private use by the employee or members of the employee's family or household must not be significant. The exemption has effect from 16 March 2020 to 5 April 2021.

HMRC accepts exemption applies where the employer's policy about private use is clearly stated to the employees and sets out the circumstances in which private use may be made (this may include making the conditions clear in employment contracts or asking employees to sign a statement acknowledging company policy on what use is allowed and any disciplinary consequences if this policy is not followed), and any decision of the employer not to recover the

costs of private use is a commercial decision, for example based on the impractical nature of doing so, rather than a desire to reward the employee, see EIM21613.

Temporary workplaces

If an employee was furloughed when they were working at a temporary workplace, the period of furlough is part of that period of continuous work at that place. A period of working from home will also be part of the period of continuous work. However the workplace stops being temporary from the date that attendance there is expected to be more than 24 months.

Company cars

If an employee has been furloughed or is working from home because of coronavirus, and provided with a company car which they still have, employers should treat the car as being made *available for private use* during this period even if the employee is: instructed not to use the car; asked to take and keep a photographic image of the mileage both before and after a period of furlough; or unable to physically to return the car or the car cannot be collected from the employee. Where restrictions on movement applies because of coronavirus and prevents the car from being handed back or collected, HMRC will accept that a company car is unavailable in the following circumstances:

- Where the contract has terminated – from the date that the car keys (including tabs or fobs) are returned to the employer or to a third party as instructed by the employer.
- Where the contract has not been terminated – after 30 consecutive days from the date that the car keys (including tabs or fobs) are returned to the employer

or to a third party as instructed by the employer

The return of keys means that a car cannot be driven in any circumstances even if it is still in the possession of your employee.

HMRC also recognise that following relaxation of coronavirus restrictions, it may take some time to collect cars where contracts have been terminated. As long as your employee continues to have no access to the keys until the car is collected from them, HMRC will still regard the car as being unavailable.

COVID tests

The provision of a COVID-19 antigen test for an employee or the reimbursement of an employee's costs of taking an antigen test is exempt.

Personal Protective Equipment (PPE)

If employees are working in a situation where the risk of coronavirus transmission is very high, and the employer's risk assessment shows that PPE is required, then the employer must provide this PPE to employees free of charge. The provision of PPE to your employees is non-taxable.

If your employee requires PPE to carry out their role and you are unable to provide this, you must reimburse the actual expenses of employees who purchase PPE themselves. This is non-taxable and employees cannot claim tax relief on these expenses from HMRC.

Salary sacrifice

Changes in circumstances because of coronavirus are accepted as a lifestyle change which allows salary-sacrifice arrangements to be reviewed. If an employee chooses to amend a salary-sacrifice arrangement because of coronavirus, the

employer must make sure the change is reflected in the terms and conditions of their employment.

Virtual parties

HMRC accepts that where an annual function is provided virtually using IT then the exemption for annual functions is capable of being met provided all other conditions are also satisfied as the exemption applies to allow for costs of provision which are generally incurred for the purposes of the event itself, see EIM21690.

SSP refund scheme

Employers can claim back up to 2 weeks of SSP if: they have already paid an employee's sick pay, the employer is claiming for an employee who's eligible for sick pay due to coronavirus, the employer has a PAYE payroll scheme that was created and started on or before 28 February 2020 and the employer had fewer than 250 employees on 28 February 2020 across all PAYE schemes.

Cycle-to-work schemes

Many employees who may have been provided with a cycle or cyclists' safety equipment have increasingly been working from home. It may not, therefore, be possible for them to meet the *mainly for qualifying journeys* condition necessary for this exemption to apply.

Provided employees have joined a scheme, with a cycle or cyclist's safety equipment provided to them on or before 20 December 2020, the qualifying journeys condition will not be applied until after 5 April 2022. Employees who have a cycle or cyclist's safety equipment provided after 20 December 2020 will need to meet all the conditions for the exemption to apply, see EIM21664.

Homeworking allowance

The £6pw homeworking allowance is designed to cover the additional costs of heating, lighting and business phone calls. It is generally only available if paid by the employer.

However for the tax year 2020/21, HMRC will allow employees told to work from home because of COVID-19 to claim a tax deduction if the employer does not pay the allowance. Employees can claim online via a new portal, or via a tax return or P87. The allowance is available in full for a week if the employee only works at home for a part of the week.

Further information

Other Sayer Vincent Made Simple Guides

- Charity shops
- VAT for hospices
- Tax for arts organisations
- Tax for charity fundraisers
- Collaborative working
- Mergers
- Subsidiaries
- Tax effective giving
- Employee and volunteer taxation
- Gift Aid
- Grants and contracts

www.sayervincent.co.uk/resources/made-simple-guides

Core HMRC guidance

PAYE and payroll for employers

www.gov.uk/payee-for-employers

CWG2: further guide to PAYE and National Insurance contributions

www.gov.uk/government/publications/cwg2-further-guide-to-payee-and-national-insurance-contributions

HMRC guide to expenses and benefits

www.gov.uk/government/publications/480expenses-and-benefits-a-tax-guide

HMRC Employment income manual

www.gov.uk/hmrc-internal-manuals/employment-income-manual

HMRC Employment Status Manual

www.gov.uk/hmrc-internal-manuals/employment-status-manual

HMRC PAYE Settlement Agreement Manual

www.gov.uk/hmrc-internal-manuals/payee-settlement-agreements

HMRC National Insurance Manual

www.gov.uk/hmrc-internal-manuals/national-insurance-manual

Covid pandemic measures

www.gov.uk/tax-relief-for-employees/working-at-home

www.gov.uk/guidance/check-which-expenses-are-taxable-if-your-employee-works-from-home-due-to-coronavirus-covid-19

Other HMRC resources

P11D worksheets

www.gov.uk/government/collections/payee-forms

HMRC employment status indicator

tools.hmrc.gov.uk/esi/screen/ESI/enGB

List 3 bodies

www.gov.uk/government/publications/professional-bodies-approved-for-tax-relief-list-3

Income Tax rates and Personal Allowances

www.gov.uk/income-tax-rates

National Insurance rates and Categories

www.gov.uk/national-insurance-rates-letters

Advisory fuel rates

www.gov.uk/guidance/advisory-fuel-rates

Made simple guides

Made Simple guides are aimed at finance professionals and other managers working in charities. They cover technical areas such as tax and VAT treatments as well as information management areas and aim to provide practical guidance to busy managers and trustees in charities.



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