

BENEFITS IN KIND AND P11D FACTSHEET

At the end of each tax year, employers will need to submit a Form P11D(b) to HM Revenue and Customs (HMRC), detailing the expenses or taxable benefits provided for each employee / director. The employer is obliged to issue their employees with a Form P11D which details the taxable benefits or expenses provided to them during the tax year.

The information contained on the P11D form will be included on their Self-Assessment Tax Returns, if one is required.

The P11D forms must be submitted to HMRC by 6 July and payment of Class 1A National Insurance Contributions no later than 22 July for online payments.



What benefits are reportable to HMRC on a P11D Form?

- Company cars and vans
- Loans for rail season tickets
- Other loans
- Health insurance
- Health cash plan policy
- Living accommodation
- Assets provided to an employee that have significant personal use
- Payments and non-professional subscriptions paid on behalf of an employee
- Non-business entertainment and travel expenses

The above is only a short list of reportable benefits and expenses but please note that there are a number of other benefits that may need reporting.



P11D penalties and interest

If the P11D forms are submitted after the deadline date of 6 July, then HMRC will charge late filing penalties to the company of £100 per month (or part of the month) per 50 employees.

If the P11D or P11D (b) contains incorrect information, then a tax geared penalty will be charged based on the behaviour / degree of culpability which can be up to 100% of the amount of Tax and National Insurance at stake.

If the payment deadline is missed of 19 July for cheque payments and 22 July for electronic payments statutory interest will be charged from the due dates which is currently at 3.5%.

As indicated above the P11D penalties are substantial and it is therefore important that the reporting obligations set by HMRC are met and with accuracy.

Scrutton Bland regularly provides advice to businesses about the structure of reward packages provided to their employees. If you would like to understand your reporting obligations further, or have a question please contact your usual contact at Scrutton Bland or a member of the Tax team by calling **0330 058 6559** or email **hello@scruttonbland.co.uk**