



# Benefits In Kind

Some of the most common entries:

**Accommodation:**

- Use of a house or flat owned or rented by the employer

**Assets:**

- Use of assets owned by the employer (exceptions for mobile telephones)
- Assets transferred or sold cheaply to the employee

**Loans:**

- Loans by the employer unless interest charged at or above HM Revenue and Customs' official rate of interest
- Overdrawn Director's Loan Account

**Entertainment:**

- Costs of entertaining staff that do not meet the £150 (VAT inclusive) per employee annual exemption
- Includes costs relating to sports events

**Medical Insurance Premiums:**

- Premiums on policies in the employer's name

**Payments Of Employees' Liabilities  
(May also attract class 1 NIC):**

- Home telephone/internet costs/mobile where the contract is in the employee's name
- Medical or life insurance where the policy is in the employee's name
- Golf club, private members' club, gym etc. subscriptions

**Travel & Subsistence:**

- Mileage allowances for the employer and the employees' cars above approved HM Revenue & Customs' limits

**Motor Vehicles:**

- Company cars
- Fuel for private motoring
- Personalised number plates
- Private use of company vans

**Exceptions:**

The following payments do not need to be reported on a P11D provided that the Employer is either using an approved benchmark or bespoke agreed rate with HMRC or the Employer is repaying the Employees' actual costs:

- Business travel
- Phone bills relating purely to business calls
- Business entertainment expenses
- Uniform/tools for work
- Professional subscriptions to approved organisation
- Expenses for working at home

**Exemptions:**

Exemptions apply to small non-cash benefits i.e. a bottle of wine, or a bouquet of flowers given to employees, or any other benefit in kind classed as trivial, and:

- Is not cash or a cash voucher
- Does not cost more than £50
- Is not provided as part of a salary sacrifice scheme
- Is not provided in recognition of employee's services

**Please note that the above is not an exhaustive list. For further information please contact your usual Mitchell Charlesworth Tax Advisor on the office numbers listed below:**

[www.mitchellcharlesworth.co.uk](http://www.mitchellcharlesworth.co.uk)

Chester 01244 323 051 | Liverpool 0151 255 2300 | Manchester 0161 817 6100 | Widnes 0151 423 7500

