HM Revenue & Customs

Employer Bulletin

Your route to the latest in payroll news

April 2018 Issue 71

Welcome

Hello and welcome to April's edition of the Employer Bulletin.

This edition, the first in the 2018-19 tax year and my first as editor has some useful information around completing last year's reporting and starting this new one, as well as some reminders about timescales.

As well as details of changes to various things like PAYE settlement agreements and termination payments there are some helpful reminders for those of you using the Construction Industry Scheme. There is also an article with a key update on childcare vouchers, as well as information on Tax-Free Childcare.

We will continue to use the Employer Bulletin to tell you about new products and changes which may affect you and to give you access to further information if you need it. With that in mind I'd also like to encourage you to sign up to receive an email alert from us each time a new edition of the Employer Bulletin is published. The email alert system is no longer tied to a PAYE reference number meaning that it's no longer just employers who can sign up and there are no restrictions on the number of individuals per company who can receive the alert.

So make sure you don't miss any future updates by signing up to receive one of our new email alerts. You can also follow us on Twitter @HMRCBusiness and @hmrcgov.uk

Another useful source of information is the Agent Update, the April edition which will be available soon and provides guidance for tax agents and advisors.

And finally our aim is to be able to deliver clear, consistent and timely information which is appropriate for employers and helps you to meet your payroll obligations to HMRC. So, if you have any comments or suggestions about any of the content of the Employer Bulletin or would like to see a specific topic covered, please drop me a line at tori.havers@hmrc.gsi.gov.uk. Your feedback is always most welcome.

Tori Havers
Editor

Content

Reporting Expenses and Benefits in Kind for the tax year ending 5 April 2018

Reporting online

Most employers report expenses and benefits online because it's quicker, easier and cheaper. It's also more secure. You can save paper, and you'll get confirmation that we've received your submission. If you're still filing on paper or sending us a list, you might want to consider swapping to online filing. Our online systems check for, and tell you about, common errors so there's less risk we'll reject your submission. If we have to reject your submission you might miss the filing deadline.

Please note that our online service will not pre-populate the total amount liable to Class 1A National Insurance contributions (NICs) field from the P11D figures. This is to allow customers who are payrolling some or all of the benefits to use the service. You might need to calculate the figure manually if your other software doesn't do this for you. Help is available here.

Helping you to get it right first time

The deadline for reporting Expenses and Benefits in Kind to us for tax year ending 5 April 2018 is 6 July 2018.

This information should help you to complete your P11Ds and P11D(b). If you make a mistake or send in your form late, your employees could end up paying the wrong tax and you could end up with a penalty, so it's important that you get it right.

You'll need to submit a P11D(b) form if:

- you've submitted any P11D forms
- you've paid employees' expenses or benefits through your payroll
- HMRC has asked you to file a P11D(b) – either by sending you a P11D(b) form or an email notification to file a P11D(b).

Your P11D(b) tells HMRC how much Class 1A NICs you need to pay on all the expenses and benefits you've provided.

If HMRC has asked you to submit a P11D(b) and you have nothing to declare, you can tell us you don't owe Class 1A NICs by completing a declaration 'No return of Class 1A National Insurance contributions'.

P11D completion

If you send your P11D as a list you must use the following format:

- Use Arial font size 11 or larger (when printed)
- Sort it by employee, not benefit type
- Include your employer reference
- Include the employee's correct name and National Insurance Number (NINO). If you can't find the NINO you must give their correct date of birth and gender
- Put each employee's expenses and benefits on the same line – we can't accept separate lists for each benefit for example
- Include the letter codes from the P11D next to each benefit – these are shown in the dark blue boxes to the left of each section on the P11D.

If you payrolled your benefits

If you payroll benefits you'll still need to send a P11D(b) to tell us how much Class 1A NICs you owe. You'll also need to send a P11D to show any benefits you paid that you **didn't** payroll. Instead of giving your employees a P11D, you need to give them a letter explaining what you've payrolled. You can find more information here.

If you need to adjust the figure of Class 1A NICs due

Complete the P11D(b) to tell HMRC how much your Class 1A NICs liability will be. If you've entered your Class 1A NICs liability in box A on question 1 but you need to adjust this figure, please don't complete box C. Use question 4 to tell us about the adjustments, and put the total you need to pay in box F.

P11D(b)

Send one P11D(b) for each PAYE reference. If you've batched your P11Ds (for example into different classes of employee or different areas of your business) you must still total the benefits from each batch and show the overall total on one P11D(b).

If you send a paper P11D(b) you must sign it in ink. We won't accept a copy, fax, photocopy or a stamped signature.

If you send a paper form and it hasn't been signed in ink we'll send it back and treat it as not having been received. If you then return it late you'll get a penalty.

Amending a P11D or P11D(b)

If you make a mistake, send a new form. Fill in all the boxes, not just the ones you want to correct. For example if the employee had £2,100 car benefit and £500 medical benefit but you previously only reported £300 medical benefit by mistake, the corrected form needs to show the car benefit as well.

If you previously reported a Class 1A NICs liability of, £38,000 instead of the correct figure of £39,000, the new P11D(b) needs to show £39,000.

Paying your Class 1A NICs

There's a special reference you need to use to make your Class 1A payment. This is your normal Accounts Office reference plus the numerals 1813 at the end. Please don't leave a space between any of the numbers. This is an example of the correct format, but please use your own reference number;

123PA001234561813

If you can't use this format using your normal payment method please use this guidance.

If you are paying at a bank or sending a cheque, you must use the correct payment slip, it's pre-printed with the reference in the format above. If you don't use the right payslip or if you use an incorrect reference, we won't know you've paid your Class 1A charge and may send payment reminders and default notices until your payment is allocated correctly.

Free toolkit to reduce errors

Use our free online toolkits to help you reduce errors. Remember, if you make a mistake your employees could pay too much tax. You'll also have to correct the mistake so it's better to get it right first time. Help is available here.

P11Ds and 'Section 336' claims

From 6 April 2016, we changed the rules on how you tax and report expenses. Full guidance on how to treat each type of expense is available here.

The changes enable you to pay most business expenses without the need to report them on form P11D. You mustn't report exempt or fully deductible expenses to us on the P11D.

If you are still required to put non-taxable expenses onto the P11D, your employee might ask you to include a Section 336 claim with the P11D. You're not responsible for making a Section 336 claim on behalf of your employees, but if you're sending a paper P11D you can attach your employee's claim with it so that they don't end up with an incorrect tax code.

The address to use is:

P11D Support Team BP1102
HM Revenue and Customs
Department 1250
Newcastle
NE98 1ZZ.

PAYE late filing penalties for the tax year ending 5 April 2018

The Quarter 4 late filing penalty notices will start to be issued during week commencing 7 May 2018.

Appealing against a penalty online

Use the online appeals service if you don't agree with your penalty as it's the quickest and easiest way to appeal. You can access this service through PAYE Online. This will normally get processed much faster than a written appeal and we will send you an online message to let you know how your appeal is progressing. We strongly recommend you appeal online but, if you do choose to write, it will not affect the decision.

When using the online appeals service, select the reason for your appeal from the drop down menu and avoid using 'Other' if there is a suitable alternative option. You should only use 'Other' if your reason for appeal doesn't fall into the categories in the online system.

You are also required to provide further facts to support your appeal in the additional information box; this allows up to 1,000 characters. The additional information is mandatory from April 2017 to help us deal with your appeal without needing to contact you for further information. If we have any further queries, we will let you know.

If you receive a penalty notice which includes multiple penalty defaults and you believe you had a reasonable excuse for each make sure you appeal against all of the defaults shown on your penalty notice, including those with a zero charge. If your appeal is accepted, the un-penalised default can then be applied to a later month, reducing the value of any future penalty charges you might incur.

How to prevent a late filing penalty when you have a valid reason

If you send a Full Payment Submission (FPS) after your employee's payday, let HMRC know why in the 'Late reporting reason' field.

For example:

Reason Code G, you have a reasonable excuse – A reasonable excuse is something that stopped you meeting a tax obligation that you took reasonable care to meet.

Reason Code H, you correct an earlier payroll report.

A full list of late reporting reason codes can be found here.

Simplifying PAYE Settlement Agreements

The process for administering and agreeing PAYE Settlement Agreements (PSA) has changed to reduce the burden for employers.

From the start of the 2018-19 tax year, 6 April 2018, PSAs will be agreed between the employer and HMRC and will remain in place for subsequent tax years unless varied or cancelled by the employer or HMRC.

This means that employers will no longer have to renew their PSAs annually so long as this enduring agreement remains accurate.

We've started issuing P626s which will form the basis for the first enduring agreement. The P626s will invite employers to renew on the basis of the PSA that was in place for the tax year 2017 to 2018. You should receive this by the end of April 2018.

Alternatively, employers will be able to set up an enduring PSA based on different criteria to the PSA agreed for the 2017 to 2018 tax year, if this is more appropriate.

Employers will still be required to provide an annual calculation.

Further information can be found here.

Net of Foreign Tax Credit Relief Scheme

This arrangement only applies to employers who are required to deduct foreign tax in addition to UK PAYE from the salaries of employees who are sent to work abroad. Its aim is to give provisional relief for double taxation to employees who must pay both UK tax and foreign tax from the same payments of earnings. The arrangement is in place due to the taxing rights of the country concerned or otherwise two amounts of tax would be deducted from the employee's gross pay.

At the end of the tax year

The introduction of PAYE reporting in real time has not changed the application of the 'Net of Foreign Tax Credit Relief Scheme', where employees are liable to pay foreign tax as well as UK PAYE. You should have included any net UK tax deducted on their Full Payment Submissions throughout the year and any errors should have been corrected before the end of the tax year. If not corrected on the last FPS or by 19 April, you will have to submit an Earlier Year Update (EYU).

At the end of the tax year you must send HMRC a statement showing:

- The name and NINO of each employee included in the arrangement
- The amount of income subjected to both PAYE and foreign tax
- The total foreign tax deducted
- The amount of foreign tax deducted and remitted to the overseas authority which was set off against that employees UK PAYE deductions due (foreign tax credit relief).

You should also provide evidence that the foreign tax has been paid.

Where the overseas authority refunds the foreign tax paid, you or your employee should tell HMRC and the employee's liability for that tax year will be reviewed.

Full guidance in respect of the net of foreign tax credit relief arrangement can be found here.

Earlier Year Updates

You may need to submit an Earlier Year Update (EYU) to correct employee payroll data for an earlier year including pay, tax and National Insurance details or start/end dates.

If your software does not support the submission of an EYU, or you are a Basic PAYE Tools user please follow these instructions.

When to send an amended FPS and when to send an EYU

If you find that you have not submitted an FPS or that you have reported incorrect year to date figures for the tax year ending 5 April 2018 there are two ways you can correct it:

- On or before 19 April – submit an additional FPS showing the corrected year to date figures as at 5 April 2018
- After 19 April – submit an EYU showing the difference between the last reported final figure(s) and the correct final figure(s) for the tax year to 5 April 2018.

If you find that you are including a negative employee NICs amount the EYU should also be completed to show:

- Yes
  - if there is an overpayment of employee NICs which has been refunded to the employee, or
  - to confirm the EYU is to amend a previous submission but no refund of employee's NICs is due
- No
  - if there is an overpayment of employee NICs that has not been refunded to the employee.

Further guidance can be found here.

Diesel Supplement Increase and Introduction of the Real Driving Emissions 2 Standard

From 6 April 2018, the diesel supplement, relating to the car benefit and the car fuel benefit charge will increase from 3% to 4% for all diesel cars that are not certified to meet the Real Driving Emissions 2 (RDE2) standard.

The Certificate of Conformity available from the manufacturer will confirm whether the car is RDE2 (also known as Euro 6d) compliant.

Although it is not expected that there will be any cars on the market that meet the RDE2 standard prior to 2019-20, there may be a few.

The diesel supplement will continue to apply to cars using diesel only (not diesel hybrids) and registered on or after 1 January 1998, which do not have a registered Nitrogen Oxide (NOx) emissions value. It will also apply to models registered on or after 1 January 1998, which have a registered NOx emissions value which exceeds the RDE2 standard.

From 6 April 2018, if the diesel company car is RDE2 (Euro 6d) compliant, the diesel supplement must not be applied when calculating the car benefit and car fuel benefit charge.

For the tax year beginning 6 April 2018 only:

- use the appropriate percentage for 'Fuel Type A – All other cars' when calculating the cash equivalent for diesel company cars which are RDE2(Euro 6d) compliant.
- use 'Fuel Type A – All other cars' when reporting diesel company cars which are RDE2 (Euro 6d) compliant on forms P11D or P46car.

If you have **registered to payroll** the car and car fuel benefit charge for an RDE2 (Euro 6d) compliant diesel car:

- calculate the cash equivalent using the appropriate percentage for 'Fuel Type A' and
- enter this amount in 'Box 182' of the Full Payment Submission (FPS),
- enter 'A' in 'Box 177' on the FPS.

Construction Industry Scheme – helpful reminders for contractors

As a contractor operating within the Construction Industry Scheme (CIS) you will have a number of tasks to fulfil. As an addition to the overview of what you must do as a CIS contractor, we've prepared some helpful hints and reminders to help you avoid common issues and meet your tax obligations.

Verifications

Before paying a subcontractor you must verify that the subcontractor has registered for CIS. To help you avoid an 'unknown' or 'unmatched' result, please make sure you:

- Add the subcontractor details in the right capacity; select the correct option of Individual, Company, Partnership, or Trust. If you choose the wrong option, simply delete the subcontractor's record and set them up again, choosing the right option
- Avoid transposing forenames and surnames for sole-traders
- Enter Partnership Trading Names and UTRs correctly; don't enter an individual partner's name or details in place of the Partnership's Trading Name in error
- Avoid abbreviating limited company names; even abbreviating the word 'limited' can lead to a result of unknown
- Enter subcontractor names as they appear on correspondence from HMRC. Check the details you have received from the subcontractor are correct, especially if you receive an 'unknown' result.

If you do receive a 'Verification Warning' this means the online system was unable to match one or more of your subcontractors. You can 'edit' the details for the subcontractor, adding or changing the details to achieve a successful match. Or you can select the option to 'proceed', leaving the details for the subcontractor unchanged. Please note, if you 'remove' the subcontractor details you mustn't pay the subcontractor until they have been verified and HMRC has advised the correct percentage deduction to use when making the payment.

Please also see our service availability and issues page, for up-to-date guidance for common issues when using CIS online services.

Payment and deduction statements

If you make a payment to a subcontractor where a deduction has been made, you must provide the subcontractor with a Payment and Deduction Statement (PDS) no later than the 19th of the month following the month in which payment was made. This is a legal requirement. If a subcontractor has lost or mislaid a copy, you must provide a copy, clearly marking it 'duplicate'. You are not obliged to provide a subcontractor who has been paid gross with a PDS, but it is good practice to do so.

Filing a nil return

Contractors must submit a monthly return by the 19th of each month, to tell HMRC about payments made to subcontractors during the previous month.

If you didn't pay any subcontractors during the month, you must tell HMRC that no return is due by the 19th of the month, or you may receive a penalty. The easiest way to do this is by submitting a nil return online. To do this, log into your online account and select 'Nil Return' from the 'Monthly Return – Overview Page'.

You can also tell HMRC that you won't be paying any subcontractors for up to six months, by selecting the 'Inactivity Request' box under the declarations section of the return. If you've stopped trading altogether, please tell HMRC as soon as possible so they can update your records.

CIS for contractors – Friday 13 April at 09.00

If you would like further support and advice about working as a contractor, please register online to join a live broadcast of the CIS for contractors webinar in April 2018. You can learn more about how the scheme works, including CIS Returns, verifications and deductions, and receive answers to your questions during the live broadcast.

CIS for subcontractors – Thursday 12 April at 17.00

If you also operate as a subcontractor, you can register to join a live broadcast of the CIS for subcontractors webinar, to learn about registering including gross payment status, deduction rates, and repayment claims.

You can also sign up for future webinars and emails about CIS, and watch recorded versions of both the CIS for subcontractors and CIS for contractors webinars online at Webinars and emails on the Construction Industry Scheme.

New rules for termination payments made on, or after, 6 April 2018

We shared information with you in February regarding the upcoming changes and we would now like to confirm they are taking effect.

Payments in lieu of notice

Changes to the taxation of non-contractual payments in lieu of notice (PILONs) came into effect from 6 April 2018. All payments in lieu of notice on, or after 6 April 2018 are chargeable to income tax and Class 1 National Insurance Contributions (NICs), whether or not they are contractual payments. Detailed guidance can be found in the Employment Income Manual.

Foreign Service relief

Foreign Service relief on termination payments has been removed for UK residents from 6 April 2018. Employees whose employment terminated on, or after, 6 April 2018 and who receive a payment or benefit in connection with that termination will not be eligible for tax relief in respect of any period of foreign service undertaken as part of their office or employment if they are UK resident for the tax year in which their employment is terminated. Seafarers remain eligible for Foreign Service relief. Detailed guidance can be found in the Employment Income Manual.

Pension Contribution Increase

From 6 April 2018 minimum pensions contributions for employers and their staff will increase from 2% to 5% and then to 8% in April next year.

Increasing minimum contributions should be a straightforward task but there are a number of checks you will need to make and we encourage you to start in good time.

The Pension Regulator has information on what you will need to do as well as template letters for you to give to staff to tell them about the changes.

Student Loans

Thresholds

The thresholds from 6 April 2018 are:

- Plan 1 £18,330
- Plan 2 £25,000.

Remember to check and operate the correct plan type when you set up student loan deductions for an employee. You'll find the plan type information on form SL1, the starter checklist or by asking your employee. If your employee does not know their plan type they can check online.

Mandatory box for student loan Plan Types

Your payroll software should now have been updated to include a new student loan plan type box on the Full Payment Submission (FPS) you send to HMRC.

This box is mandatory. You need to complete this box for all employees who have a student loan. You should select either plan 1 or plan 2 depending on your employee's student loan plan type.

Student loan Generic Notification Service messages

You may receive 2 different types of student loan Generic Notification Service (GNS) messages to your PAYE online inbox. These GNS messages will instruct you to do one of two things:

1. Start taking student loan deductions from a named employee from your next available pay day and report this on the next FPS you send to HMRC. This is sent to you when HMRC receives an FPS showing zero student loan deductions for an employee we know has a student loan
2. Include the correct student loan plan type for a named employee on the next FPS you send to HMRC. This is sent to you when HMRC receives an FPS for an employee showing the incorrect plan type.

If you don't action either of the above GNS messages on the next FPS you send to HMRC for the named employees then you will receive a second GNS message. If you don't act on the second message, we may contact you by telephone.

More information on student loans for employers can be found here.

New National Insurance Number letter

From April 2018, HMRC are changing the format of the letter we use to tell our customers their National Insurance (NI) number. This is the letter which is sent automatically to entitled teenagers just before their 16th birthday and to customers who ask for a reminder of their NI number.

The purpose of the letter is solely to tell/remind our customers of their NI number and let them know what it should be used for. The letter is not proof of someone's identity and is not proof of their address. The new letter will no longer contain a date of issue as NI numbers do not change.

The new letter will also contain other useful information about HMRC services, like the Personal Tax Account.

Soft Drinks Industry Levy

From 6 April 2018 you may need to register for the Soft Drinks Industry Levy (SDIL) if you are a producer, importer or packager of soft drinks. Further information on registering for the levy can be found here.

Soft drinks liable for the levy will need to be reported to HMRC on a quarterly return. These will be fixed quarterly returns ending June, September, December and March. You may be prosecuted or charged penalties if you don't register and pay any levies due at the right time.

From 6 April 2018, if you are aware of any potential fraud involving the Soft Drinks Industry Levy you can report it to HMRC. Obligations under the Disclosure of tax avoidance schemes: VAT and other indirect taxes' rules also apply to the Soft Drinks Industry Levy.

Welsh Taxes

Land Transaction Tax – Transitional and cross-border guidance

Transitional and cross-border guidance on Land Transaction Tax (LTT) has been published on GOV.UK.

From 1 April 2018, the Welsh Revenue Authority (WRA) will collect and manage LTT from land and property transactions in Wales. HMRC will not accept Stamp Duty Land Tax (SDLT) returns for land and property transactions in Wales with an effective date of transaction on or after 1 April 2018.

The WRA has also published a dedicated tax calculator. For information on LTT rates and bands visit the Welsh Government website.

Conveyancers and solicitors representing people buying and leasing property and land in Wales will need to register on the WRA website before filing a tax return. The WRA is encouraging businesses to sign-up at least 10 days in advance of the first transaction.

Landfill Disposals Tax

Registrations for Landfill Disposals Tax, which will replace Landfill Tax in Wales from 1 April 2018, are now open. Visit the gov.wales/WRA for more information.

Scottish Income Tax

The draft Budget for the tax year beginning 6 April 2018 was passed by the Scottish Parliament on Wednesday, 21 February 2018. For further information and confirmation of the rates and thresholds visit the Scot.gov website. We will also continue to update GOV.UK with all the latest information.

Childcare vouchers to remain open to new entrants for an additional 6 months

On 13 March the government listened to representations from MPs during the Parliamentary debate on childcare vouchers and as a result announced that childcare vouchers will remain open to new entrants for an additional 6 months. This will give parents more time to consider their options for childcare support.

On 4 October, the vouchers scheme will close to new entrants.

This means that parents will continue to benefit from the tax exemption and National Insurance disregard if they join the voucher scheme beforehand. Employers will also similarly continue to receive the National Insurance disregard for those employees who have joined the scheme.

Tax-Free Childcare

Tax-Free Childcare completed its roll-out to parents of under 12s in February, helping to reduce childcare costs by up to £2,000 per child, per year. Families who are eligible can get support, regardless of who their employer is or whether they are self-employed. Under Tax-Free Childcare, lone parents can also access the same support as couples.

Parents can apply for Tax-Free Childcare from the Childcare Choices website.

What do employers need to know about the new voucher date?

We have updated our 'Top tips for employers' within our communications toolkit to reflect this change.

Employers can continue to offer childcare vouchers to new entrants until October. However, employers may still choose to close their schemes to new entrants from April.

What do parents need to know about the new date?

Parents can keep getting vouchers if they've joined a scheme and received their first voucher before the scheme closes on 4 October 2018, as long as:

- They stay with the same employer and they continue to run the scheme
- They don't have a break in receiving vouchers of a year or more, for instance when taking an unpaid career break.

We recommend that parents use the childcare calculator and the Childcare Choices website to find out what childcare support they may be entitled to.

Parents who have moved from childcare vouchers to Tax-Free Childcare and have provided a written notification to their employer will not be able to return to the voucher scheme. This rule has been in place since April 2017.

Would you like to help us develop GOV.UK websites?

HMRC are looking for people to join their volunteering database. It's a good opportunity for to help make a difference to GOV.UK services by ensuring they're user friendly.

Participants may be expected to meet a researcher in person at a government building or take part online. As a thank you, you may be rewarded with a shopping voucher. You can sign up here, or you can call the team directly on **03000 513300**.

Benefits in Kind with Cash Allowances, Flexible Benefit Packages and Salary Sacrifice

Do you offer your employees cash allowances, flexible benefit packages with a cash option or salary sacrifice in return for a Benefit in Kind (BiK)?

If so, the rules for these types of BiKs changed on 6 April 2017.

1. All BiKs are now valued at the higher of the cash given up or the value under the traditional rules.
2. All previously non-taxable BiKs are now taxable, valued on the cash given up.
3. Cars with emissions of 75g CO_2 /km or less, pensions, pension advice, childcare and Cycle to Work are unaffected.

Arrangements entered into on or before 5 April 2017 kept their previous tax treatment until the earlier of a renewal or variation of the arrangement. All pre-6 April 2017 BiKs moved into the new rules on 6 April 2018.

However, pre 6-April 2017 cars and accommodation move into the new rules on the earlier of renewal or variation or April 2021. Pre-6 April 2017 school fees have special rules, but all move into the new rules from April 2021.

P11Ds for 2017-18

On your P11Ds you need to report the correct taxable figure. You may have an employee who is in the traditional rules and then moves into the new rules mid-year. If so, then you can report it either as two separate BiKs or a combined figure.

For example, an employee has medical benefit which costs you £150, salary sacrifices £200 a year, started to receive it in January 2017 and renews the arrangement in January 2018. You can either:

1. Report the first benefit £112.50 (£150 time apportioned up to 1 January), and report a second benefit of £50 (£200 time apportioned from 1 January).
2. Report a single benefit worth £162.50 (combining the two values).

P11Ds and cars

When completing the P11Ds you need to correctly complete all of the fields for cars. If you don't do this:

1. you will pay the wrong amount of National Insurance Contributions,
2. your employees will pay the wrong tax, and
3. you will need to send us an amended P11D in each case.

Common mistakes include putting in the wrong CO_2 emissions, not including accessories and incorrectly recording capital contributions and private use payments. A capital contribution is a one-off payment towards buying the car, and private use payments are monthly or yearly payments for the use of the car. Both must be made out of net pay.

The company car calculator on GOV.UK will be updated in the near future to include arrangements. However, in the interim, the calculator should not be used for these arrangements, if the arrangement was entered into after 6 April 2017.