

Cheap or interest-free bridging loans 'made' by the employer

Reminder about relief which may be due:

- there is a taxable benefit where the employer 'makes' a cheap or interest-free loan - read section H of the 'P11D Guide', tax guide '480', and 'P11D Working Sheet 4'
- the amount of the taxable benefit may be reduced if the loan in question is a bridging loan made in connection with a qualifying relocation - for conditions see tax guide '480'
- this relief will not become due unless the total for all years of all other qualifying benefits is less than £8,000
- it will only become clear whether or not this special relief arises when the relocation has been completed and you know the total of all the other qualifying expenses and benefits
- guidance on the calculation of the relief is set out in tax guide '480'
- in many cases you'll not have enough information to know whether or not this relief is due for the year in which the bridging loan is first advanced - we would not, therefore, expect the employer to take this into account when calculating the cash equivalent
- if it appears that the relief will be due, you may wish to advise your employees to contact HM Revenue and Customs to arrange for the relief to be calculated

Withdrawn 8 April 2024