

Reporting expenses and benefits for 2018/19

Where employees were provided with taxable benefits and expenses in 2018/19, these must be notified to HMRC.

The reporting requirements depend on whether the benefits were payrolled or not.

Benefits not payrolled

Taxable benefits that were not payrolled in 2018/19 must be reported to HMRC on form P11D. There is no need to include benefits covered by an exemption (although take care where provision is made via an optional remuneration arrangement (OpRA)) or those included within a PAYE Settlement Agreement. Paid and reimbursed expenses can be ignored to the extent that they would be deductible if the employee met cost, as these fall within the statutory exemption for paid and reimbursed expenses.

The value that must be reported on the P11D depends on whether the benefit is provided via an OpRA, such as a salary sacrifice scheme. Where the benefit is provided other than via an OpRA, the taxable amount is the cash equivalent value. Where specific rules apply to determine the cash equivalent value for a particular benefit, such as those applying to company cars, employment-related loans, living accommodation, etc., those rules should be used. Where there is no specific rule, the general rule – cost to the employer less any amount made good by the employee – applies.

Where provision is made via an OpRA, and the benefit is not one to which the alternative valuation rules do not apply, namely:

- payments into pension schemes
- employer provided pension advice
- childcare vouchers, workplace nurseries and directly contracted employer-provided childcare
- bicycles and cycling safety equipment, including cycle to work schemes
- low emission cars (Co2 emissions 75g/km or less)

the taxable amount is the relevant amount. This is the higher of the cash equivalent under the usual rules and the salary foregone or cash alternative offered. The taxable amount is the cash equivalent value where the benefit falls outside the alternative valuation rules.

Payrolled benefits

Payrolled benefits should not be included on the P11D but must be taken into account in calculating the Class 1A National Insurance liability on form P11D(b).

P11D(b)

Form P11D(b) must be filed regardless of whether benefits are payrolled or notified to HMRC on form P11D. The P11D(b) is the Class 1A return, as well as the employer's declaration that all required P11Ds have been submitted.

Paper or online

There are various ways in which forms P11D and P11D(b) can be filed. The simplest is to use HMRC's online end of year expenses and benefits service or HMRC's PAYE Online for employers service. Forms can also be filed using commercial software packages.

There is no requirement to file P11Ds and P11D(b)s online – paper forms can be filed if preferred.

Deadline

Regardless of the submission methods, forms P11D and P11D(b) for 2018/19 must reach HMRC by 6 July 2019. Employees must be given a copy of their P11D (or details of the information contained

therein) by the same date. Details of payrolled benefits must be notified to employees by the earlier date of 31 May 2019.

Class 1A National Insurance must be paid by 22 July where paid electronically, or by 19 July where payment is made by cheque.