

Expenses and Benefits Return (P11D)

Guidance for Employees of Perth & Kinross Council

INTRODUCTION

If you are in receipt of any taxable expenses, payments or benefits, the Council is required by **legislation** to issue you with a statement of those which is called a P11D. You will be able to see your P11D, if you have one, on MyView by 5th July each year. Please click [here](#) to see a blank version of a P11D form.

The information provided on your P11D will enable you to complete an Income Tax Self Assessment (ITSA) return, should you receive one from HMRC. Even if you do not have to complete an ITSA, **you must keep your P11Ds for six years**. Although the Council must provide HMRC with your P11D information, you will need to retain your P11Ds as evidence. All employees with P11D benefits have access to MyView and this will allow you to print or save a copy to keep at home.

Where a paper P11D has been issued, a duplicate P11D will only be issued once you have agreed to the £25 replacement fee. This will be deducted from your pay or, if you are a leaver, when you have paid this fee to the Council. Alternatively, the [HMRC](#) website informs you that HMRC can provide you with a copy of your P11D free of charge.

P11D Sections

It is part of HMRC practice to regularly visit the Council to ensure all expenses, payments and benefits are correctly treated for tax purposes. Where any errors are found, you and the Council will be required to pay a settlement to HMRC for failure to disclose these benefits. With this in mind, **it is important that you review your current benefits**. The following lists the main benefits paid by the Council, but if you are in receipt of any benefits or “perk” from the Council which is not listed here, you must contact the HR Systems Team to ensure that no liability exists.

Please note that the P11D Sections below apply to ALL TAXPAYERS, not just those employees who complete an ITSA.

A Assets Transferred - ITSA Ref Box 13

The Council does not provide you with any assets that could be converted into a cash value, e.g. cycle to work scheme. Any items of surplus or unused equipment are sold to you are valued at market value. If you receive any assets without paying a market value, then you should contact the HR Systems Team to discuss. Failure to do so may be breach of contract and could result in tax liabilities.

B Payments made on behalf of the Employee – ITSA Ref Box 15

Bills or invoices are not paid by the Council on behalf of any employee and therefore you should have no need to make an entry in this box for your employment with the Council. If you are aware of the Council making payments on your behalf, you should contact the HR

Systems Team to discuss. Failure to do so may be breach of contract and could result in tax liabilities. There are a few common payments that require further explanation.

Travel and accommodation costs are often paid by the Council to save the unnecessary payment of VAT and to avoid you being out of pocket until your MyView expenses are reimbursed. Those expenses are free of tax unless they are excessive. Your duty to secure value for money when arranging these items will mean that Council funds will not be wasted and are not excessive.

Professional subscriptions are not a reportable P11D expense if the professional body is **recognised** by HMRC. The Council's policy states that no professional fees are payable, except for practising solicitors. If the Council has paid your professional fees, you must report this to the HR Systems team immediately.

C Vouchers and Credit Cards – ITSA Ref Box 12

If you are in receipt of any vouchers or are benefiting from payments made on your behalf using credit cards or tokens, you should contact the HR Systems Team to discuss the implications of this taxable benefit prior to completing this box.

D Living Accommodation – ITSA Ref Box 14

The Council does not provide any rent-free or subsidised rent accommodation to its employees. If you live in any Council accommodation and you do not pay a commercial rent, you will be liable for taxation on this benefit. In this case, you should contact the HR Systems Team to discuss the implications of this taxable benefit prior to completing this box.

E Mileage Allowance – ITSA Ref Box 12

You may have a worksheet attached, which will contain the taxable benefit derived from the Approved Mileage Allowance Payments (AMAPs) as issued by HMRC. Please note that the mileage figure used in this calculation excludes all taxable (home to work) mileage which has already been taxed through Payroll and is based on mileage actually travelled up to 31 March each year. The taxable benefit arises from your business mileage rate paid, less the Approved Mileage Allowance payments (AMAPs) as provided by HMRC.

If the Mileage Allowance Payments are below the approved amount for the tax year, you will be able to claim tax relief (Mileage Allowance Relief) on the unused balance of the approved amount.

Please note that no P11D will be issued for taxable losses this year and, if you wish to check whether you qualify, guidance is available on the [HMRC website](#).

F Cars & Car Fuel – ITSA Ref Box 9

If you have a Lease/Company Car, the HR Systems Team can provide the details of the calculation for your taxable benefit if required.

F Cash Equivalent of Fuel – ITSA Ref Box 10

The Council does not provide a cash equivalent to any of its employees.

G Vans & Fuel – ITSA Ref Box 9

Journeys made in a Council van from home to work will no longer be subject to Income Tax. **Any other private use of vans will remain subject to Income Tax and any liability will be the sole responsibility of the employee.** For this reason, private use of vans is strictly forbidden, and employees have been asked to sign a declaration accepting this. If you have not received or signed a declaration, you may be liable for the taxable benefit and you will receive a form P11D for this benefit. If you have any doubt regarding this benefit, then you should contact the HR Systems Team.

H Interest Free & Low Interest Loans – ITSA Ref Box 15

The Council does not provide loans for its employees. If you have received a loan from the Council, you should contact the HR Systems Team immediately.

I Private Medical Treatment or Insurance – ITSA Ref Box 11

The Council does not provide free treatment or insurance to any of its employees.

J Qualifying Relocation Expenses & Benefits - ITSA Ref Box 15

Any expenses paid in excess of £8,000. The Council scheme maximum of £7,000 is below this limit and therefore no liability should exist. If you have received expenses in excess of £7,000, please contact the HR Systems Team.

K Services Supplied – ITSA Ref Box 15

If you are in receipt of any services supplied by the Council free of charge or at a reduced rate, then you should contact the HR Systems Team to discuss the implication of this taxable benefit.

L Assets Placed at the Employees Disposal - ITSA Ref Box 13

If you have been requested to dispose of Council's assets by the Council for your personal gain, then you should contact the HR Systems Team to discuss the implications of this taxable benefit.

M Other Items - ITSA Ref Box 15

If you are in receipt of any benefit or "perk" from the Council that is not listed here, then please contact the HR Systems Team.

N Expenses Payments Made to, or on Behalf of, the Employee - ITSA Ref Box 16

The Council's subsistence scheme is covered by a dispensation (agreement between the Council and HMRC) which excludes the taxation of these payments because of proper financial controls being in place, including the provision of receipts. Travelling allowances are covered above when using your own vehicle or a company car (lease car). Refer to section E (1.15). There is no taxable liability for reimbursement of public transport fares and costs, as long as supporting documentation (normally receipts) are provided.

Employees who are reimbursed for telephone expenses do not require to complete this section as these payments are exempt (**covered by a dispensation**).

In exceptional circumstances, Lease/Company car users may have received a refund which exceeds their contribution for private use of the vehicle. The benefit resulting from this will be shown in "Description of other expenses".

ITSA Return

For guidance on the completion of the ITSA return, should you receive one, you should contact your HMRC Office, Helpline Service on 0845 900 0444. Have your National Insurance number to quote as a reference - this is on your payslip.

For any other queries, please contact the HR Services Team, Perth & Kinross Council, Pullar House, 35 Kinnoull Street, Perth, PH1 5GD on 01738 475555. **Please note that the Council cannot give advice on your tax affairs or how to complete your tax return.**

HMRC has a comprehensive web site with very useful notes, guidance and on-line forms, and these can be found on the [HMRC website](#).