

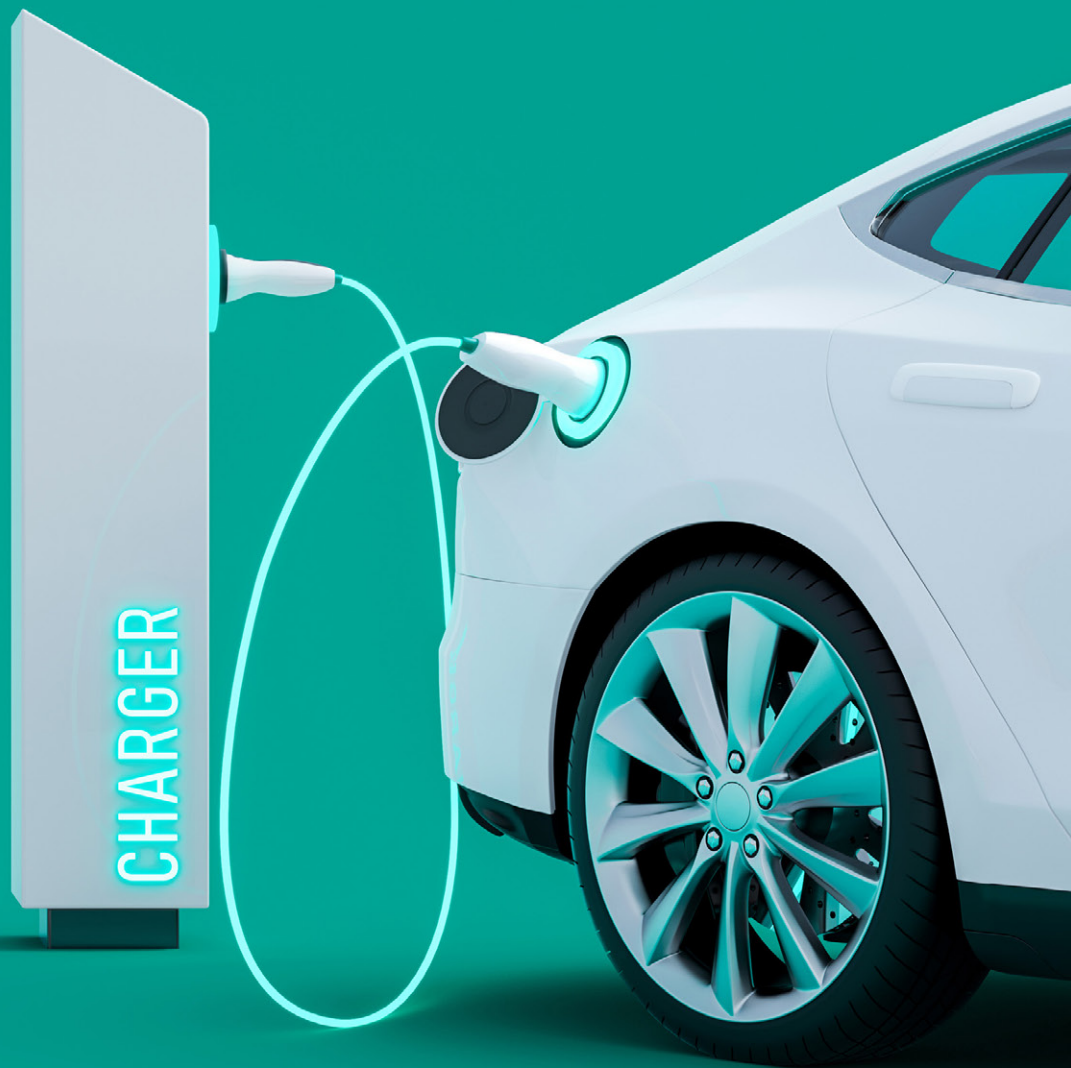


Leasing made easy

ELECTRIC CAR SALARY SACRIFICE SCHEME

Payroll Guide

(For non payrolled benefits)





Contents

<u>Guide to payroll amendments arising on implementation of salary sacrifice</u>	4
<u>Guide to payroll amendments arising during the operation of salary sacrifice</u>	5
<u>Guide to payroll amendments arising on the termination of salary sacrifice</u>	7
<u>Guide to payroll amendments arising on the renewal of salary sacrifice</u>	10
<u>Appendix 1 – Pre and post-sacrifice sample payslips</u>	11
<u>Appendix 2a – Payroll distribution of gross salary sacrifice</u>	20
<u>Appendix 2b – Payroll distribution of gross salary sacrifice</u>	21
<u>Appendix 3 – Guidance on the completion of Form P46 (Car)</u>	22
<u>Appendix 4a – Guidance on the completion of Form P11D for salary sacrifice cars</u>	27
<u>Appendix 4b – Guidance on the completion of Form P11D - Working Sheet 2</u>	30
<u>Appendix 4c – Guidance on the completion of Form P11Db</u>	34

Guide to payroll amendments arising on implementation of salary sacrifice

Monthly payslip amendments

- When a participant joins the Electric Car Salary Sacrifice Scheme (“the Scheme”) you should reduce their pay for PAYE and NIC¹ purposes by the amount of the salary sacrificed.
- You should rename the participant’s pre-sacrifice salary as ‘Reference Salary’². Where possible this should be shown on the employee’s payslip.
- The salary sacrifice should be shown on the payslip within the ‘Pay and allowances’ section as a deduction from ‘Reference Salary’.
- The post-sacrifice salary should be renamed as ‘Revised Salary’³ and where possible shown on the payslip.

For further information and guidance please refer to the pre and post-sacrifice sample payslips at Appendix 1.

Monthly payments from gross salary sacrifice

A breakdown of payments to be distributed from the gross salary sacrifice, and input VAT recovery to be claimed from HMRC, with and without an employee contingency being included, is set out at Appendix 2.

Form P46 (Car)

- Form P46 (Car) must be submitted to HMRC when an employer provides a company car to an employee, ceases to provide a company car or provides an additional company car.
- Form P46 (Car) must be returned each quarter, within 28 days of the end of the quarter ending on 5 July, 5 October, 5 January and 5 April⁴.
- The provision of the Scheme car will be classed as a company car and must therefore be reported to HMRC by you:-
 - using Form P46 (Car) if the participant doesn’t currently have a company car; or otherwise
 - via the Government Gateway at PAYE Online, using your payroll software or via Form P11D.

It may speed up the process if your employee amends their own tax code via HMRC’s online portal accessed at <https://www.gov.uk/update-company-car-details>.

- Form P46(Car) may be filed by post, via PAYE Online or using your payroll software⁵.
- Please refer to Appendix 3 for guidance on the completion of Form P46 (Car).

PAYE Coding Notice amendment – Forms P2 and P6

- Upon receipt of your P46(Car), HMRC will issue a revised PAYE Coding Notice (‘tax code’) to reflect the company car benefit-in-kind.
- Form P2 will be issued to the employee and Form P6 will be issued to you, upon receipt of which you must amend payroll records to reflect the lower tax code.

HMRC notification of scheme implementation

- You may send a post implementation notification to HMRC but it should be noted that following the publication of Employer Bulletin 89 HMRC will no longer respond to any salary sacrifice clearance application.

Cancellation charges – Deductions from net pay

- When applying to join the Scheme participants authorise you to deduct from their net pay any additional or out of contract charges and/or disbursements. This authorisation includes a charge for any costs that may be incurred as a result of the cancellation of the order should they decide they do not wish to participate after their car has been ordered.
- Any such cancellation charge made by the leasing company should be deducted from net pay in the next pay run or otherwise recharged to the participant if a payroll deduction is not possible, but before applying the charge you should provide written notification to the employee confirming the nature and amount of the charge.
- If recharges are accounted for as disbursements, input VAT should not be reclaimed and output VAT should not be applied, otherwise if you reclaim input VAT you should apply output VAT to the amount charged to the employee.

1 As the Health and Social Care Levy, introduced on 6 April 2022, will be included within National Insurance Contributions during 2022/23, within this guide references to “NIC” include “HSCL”, other than in the sample payslips for 2023/24 where the HSCL is shown separately.

2 If you currently apply a different term, such as ‘Notional salary’, for any existing salary sacrifice schemes you should do so for the Scheme, but all Scheme documentation issued by CVSL will refer to ‘Reference Salary’.

3 If you currently apply a different term for any existing salary sacrifice schemes you should do so for the Scheme, but all Scheme documentation issued by CVSL will refer to ‘Revised Salary’.

4 If the form is submitted electronically for this quarter it must be filed by 5 April.

5 For further information please refer to <https://www.gov.uk/tell-hmrc-company-car>

Guide to payroll amendments arising during the operation of salary sacrifice

PAYE Coding Notice amendment – Form P9

- Prior to the start of each tax year HMRC will issue Form P9 to you, upon receipt of which payroll records should be amended to reflect any tax code changes resulting from the ongoing provision of the company car.

Form P60

- Company directors or employees must be provided with a Form P60 after the end of each tax year. The P60 confirms the pay subject to PAYE each year, along with the income tax and NIC deducted, as well as deductions made to repay student loans.
- The P60 also discloses the director's/employee's final tax code for the tax year.
- Form P60 should be submitted to HMRC and provided to directors and employees by 31 May following the end of the tax year.
- As the Scheme car will be classed as a company car the revised tax code, as confirmed to you on the P6/P9 issued by HMRC should be reported on the P60.

Form P11D

- Company directors or employees must be provided with a Form P11D to report expenses and benefits provided during a tax year.
- Form P11D should be submitted to HMRC and provided to directors and employees by 6 July following the end of the tax year.
- The provision of the Scheme car will be classed as a company car, and so the benefit-in-kind must be reported to HMRC and the employee by you on Form P11D.
- Please refer to Appendix 4 for guidance on the completion of Form P11D.

Form P11D(b)

- Employers must report the provision of benefits-in-kind to HMRC on Form P11D(b). The P11D(b) is used for reporting to HMRC the amount of Class 1A NIC due on taxable expenses and benefits, such as company cars, and for declaring that any P11D forms for the year have been completed and returned.
- Form P11D(b) must be submitted by 6 July following the end of the tax year.
- Cars provided via the Scheme will be classed as company cars, and so the Class 1A NIC due on benefits-in-kind must be reported to HMRC by you on Form P11D(b).

Suspension of salary sacrifice during periods of parental leave

- When a participant is on parental leave, the salary sacrifice should be suspended when the salary is no longer sufficient for the sacrifice to be deducted until the participant returns to work.
- If the participant returns to normal employment on full pay the salary sacrifice should be reinstated; or
- If the participant returns to work on reduced pay, for example because they return on a part-time basis, and their entitlement to pay is not sufficient to meet the full salary sacrifice, or they do not return to work after parental leave, their participation in the Scheme will cease and the salary sacrifice agreement will be terminated. The participant must return the car to you, to either terminate the lease or reallocate the car to another employee, or the participant may arrange to purchase the car from the leasing company in which case they may retain it.
- Alternatively, at the participant's request the salary sacrifice agreement may be terminated at any point during the period of leave, in which case the Scheme car must be returned in accordance with the termination procedures set out below or the participant may arrange to purchase the car from the leasing company in which case they may retain it.

Suspension of salary sacrifice during periods of sick or other leave

- In the event of a participant's long-term absence from work they may retain their car and the salary sacrifice should continue to be applied for as long as their pay is sufficient to meet the full salary sacrifice.
- Once the participant's pay, including any occupational sick pay, ceases or is otherwise insufficient to meet the full salary sacrifice the salary sacrifice should be suspended until the participant returns to normal employment on full pay, although you have the discretionary right to ask the participant to contribute a fair and reasonable amount toward the cost of the car whilst they are on leave.
- If the participant returns to work on reduced pay, for example because they return on a part-time basis, and their entitlement to pay is not sufficient to meet the full salary sacrifice, or they do not return to work after parental leave, their participation in the Scheme will cease and the salary sacrifice agreement will be terminated. The participant must return the car to you, to either terminate the lease or reallocate the car to another employee, or the participant may

arrange to purchase the car from the leasing company in which case they may retain it.

- Alternatively, at the participant's request the salary sacrifice agreement may be terminated at any point during the period of leave, in which case the Scheme car must be returned in accordance with the termination procedures set out below or the participant may arrange to purchase the car from the leasing company in which case they may retain it.

Recharge of routine motoring costs - Deductions from net pay

- When applying to join the Scheme participants authorise you to deduct from their net pay any out of contract charges and/or disbursements, such as parking fines, congestion charges, puncture repairs and other motoring costs, as well as any additional motor insurance premium or excess, including an administration fee of £25 plus VAT.
- Prior to recharges being deducted from an employee's net pay, you should provide written notification summarising the nature of the recharges to be applied and the amount to be deducted, and over what period if the amount cannot be deducted from one month's pay.
- If recharges are accounted for as disbursements, input VAT should not be reclaimed and output VAT should not be applied, otherwise if you reclaim input VAT you should apply output VAT to the amount charged to the employee.



Guide to payroll amendments arising on the termination of salary sacrifice

End of contract recharges – Deductions from net pay

- When applying to join the Scheme participants authorise you to deduct from their net pay any charges and/or disbursements arising at the end of the lease, or its early termination, relating to unfair wear and tear, excess mileage charges arising because the actual mileage exceeds the contract mileage, and where appropriate any early termination charge, including any administration fees and VAT.
- Prior to recharges being deducted from an employee's net pay, you should provide written notification summarising the nature of the recharges to be applied and the amount to be deducted, and over what period if the amount cannot be deducted from one month's pay.
- If recharges are accounted for as disbursements, input VAT should not be reclaimed and output VAT should not be applied, otherwise if you reclaim input VAT you should apply output VAT to the amount charged to the employee.

Termination of participation – Early termination

- If a participant opts out of the Scheme, for example on commencement of parental or long-term sick leave, or leaves employment before the end of the agreed term, the salary sacrifice agreement will be terminated. Unless the participant arranges to purchase the car from the leasing company it must be returned to you, to terminate the lease, reallocate the car to another employee, or retain it as a pool car. You will be entitled to make a deduction from a participant's salary, or raise an invoice, for end of contract charges relating to damage and excess mileage should they leave the scheme early.
- If the participant remains in employment following the termination of their salary sacrifice agreement their salary will revert to their pre-sacrifice salary and the sacrifice will be disappplied.
- Early termination charges may be charged to you by the leasing company when the lease is terminated before the normal expiry of the contractual term. Any early termination charges should be passed on to the participant in full or in part, unless you, at your discretion, successfully reallocate the car to another employee, retain the car as a pool car, or otherwise exercise your discretion in circumstances such as:
 - i. Resignation, more than 6 months after joining the Scheme;
 - ii. Redundancy;
 - iii. Loss of driving licence for medical reasons; or
 - iv. any other circumstance set out in the Salary Sacrifice Agreement.
 - v.
- Any early termination charge to be passed on to the employee should be:-
 - i. deducted from net pay in the following month, or several months if the amount cannot be deducted from one month's pay if the employee remains in your employment, after confirming to the employee the nature and amount of the charge and the period over which it will be deducted; or
 - i. invoiced directly to the employee, if they have left your employment.
- If recharges are accounted for as disbursements, input VAT should not be reclaimed and output VAT should not be applied, otherwise if you reclaim input VAT you should apply output VAT to the amount charged to the employee.

Termination of participation – At the end of the lease

- At the end of the lease the salary sacrifice agreement will terminate and the car must be returned to you, unless the participant exercises their option to purchase the car from the leasing company in which case they may retain it.
- If the participant remains in your employment following the termination of their salary sacrifice agreement their salary will revert to their pre-sacrifice salary and the sacrifice will be disappplied, unless they choose to take a new salary sacrifice car in which case please refer to the guidance set out in the next section.

Purchase of a Scheme car by a participant

- Please note that the option to purchase a Scheme car is not available to directors or their spouses.
- At least 5 days' notice must be given to the leasing company by you when an employee is leaving the Scheme early, to enable a purchase price to be obtained from the leasing company.

Form P46 (Car)

- Form P46 (Car) will need to be submitted by you when the car is returned, say on cessation of employment, without replacement or if an additional car is provided to an employee under the Scheme.
- Following the termination of a salary sacrifice agreement on the normal expiry of a lease if the participant chooses to take a new salary sacrifice car please refer to the guidance set out in the next section.

PAYE Coding Notice amendment

- If an employee leaves the Scheme you are required to submit Form P46 (Car), upon receipt HMRC will issue a revised PAYE Coding Notice to reflect the withdrawal of the company car benefit-in-kind unless you have also submitted a P45 because the employee has left your employment.
- Where appropriate, Form P2 will be issued to the employee and Form P6 will be issued to you, upon receipt of which you must amend payroll records to reflect the revised tax code.

Guide to payroll amendments arising on the renewal of salary sacrifice

Payslip amendments

- When a participant renews their participation and takes their next car under the Scheme you should adjust the salary sacrifice shown within the 'Pay and allowances' section of the payslip and reflect this as a change to the post-sacrifice 'Revised Salary'.

Form P46(Car)

- HMRC does not require submission of Form P46(Car) when a company car is changed.
- Provision of a replacement car, say on renewal of an employee's participation after the end of the initial car's replacement cycle, should therefore be reported to HMRC via PAYE Online, using your payroll software or via Form P11D.

PAYE Coding Notice amendment

- Once notified of the change of Scheme car by you HMRC will issue a revised PAYE Coding Notice to reflect the company car benefit-in-kind.
- Form P2 will be issued to the employee and Form P6 will be issued to you, upon receipt of which you must amend payroll records to reflect the revised tax code.

Appendix 1 – Pre and post-sacrifice sample payslips

This appendix shows the impact on the payslip of an employee taking part in the Scheme.

Example 1 – Basic rate taxpayer

Mr A Jones earns £30,000 per year and chooses a VW iD3 under the Scheme. The salary sacrificed is £523.28 per month. The car has a list price of £32,276 and zero emissions.

If Mr Jones did not participate in the Scheme his payslip for July would be set out as follows:-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Jones	AB123456C	A	1257L	4	31/07/2022
Pay and allowances			Deductions ⁶		
	Tax period	Tax year		Tax period	Tax year
Salary	£2,500.00	£10,000.00	Income tax	£290.50	£1,162.00
			NIC – employee	£192.39	£858.99
TAXABLE PAY	£2,500.00	£10,000.00	TOTAL DEDUCTIONS	£482.89	£2,020.99
NET PAY				£2,017.11	£7,979.01
NIC – EMPLOYER				£262.17	£1,048.68

Taking part in the Scheme from the start of the tax year means the payslip changes to reflect the salary sacrifice and the provision of a company car, which is taxed by the reduction of the tax code, from 1257L to 1192L to reflect the car's taxable value of £645.52 (£32,276 x 2%):-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Jones	AB123456C	A	1192L	4	31/07/2022
Pay and allowances			Deductions ⁷		
	Tax period	Tax year		Tax period	Tax year
Reference Salary	£2,500.00	£10,000.00	Income tax	£196.60	£786.40
Sacrifice	(£523.28)	(£2,093.12)	NIC – employee	£123.061	£581.67
Revised Salary	£1,976.72	£7,906.88	HSCL – employee	£48.57	£48.57
TAXABLE PAY	£1,976.72	£7,906.88	TOTAL DEDUCTIONS	£319.66	£1,368.07
NET PAY				£1,657.06	£6,538.81
NIC – EMPLOYER				£183.42	£733.68
HSCL – EMPLOYER				£52.19	£52.19

Mr Jones' take-home pay has been reduced by £360.05 but in return he has the use of a car that costs £523.28 per month - a saving of £163.23 per month.

⁷ Assumes income tax and NIC rates and allowances for 2022/23 apply.

And for 2023/24, as the Health and Social Care Levy ("HSCL") will be applied separately, this should be reflected in the payslip as shown below:-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Jones	AB123456C	A	1192L	4	30/04/2023
Pay and allowances			Deductions ⁸		
	Tax period	Tax year		Tax period	Tax year
Reference Salary	£2,500.00	£2,500.00	Income tax	£196.60	£196.60
Sacrifice	(£523.28)	(£523.28)	NIC – employee	£111.45	£111.45
Revised Salary	£1,976.72	£1,976.72	HSCL – employee	£11.61	£11.61
TAXABLE PAY	£1,976.72	£1,976.72	TOTAL DEDUCTIONS	£319.66	£319.66
NET PAY				£1,657.06	£6,538.81
NIC – EMPLOYER				£168.18	£168.18
HSCL – EMPLOYER				£15.24	£15.24

Mr Jones' take-home pay has been reduced by £360.05 but in return he has the use of a car that costs £523.28 per month- a saving of £163.23 per month.

8 Assumes income tax and NIC rates and allowances for 2022/23 apply.

Example 2 – Higher rate taxpayer

Mrs A Smith earns £70,000 per year and chooses a Tesla Model 3 under the Scheme. The salary sacrificed for the car, including maintenance, motor insurance, and roadside assistance is £899.74 per month. The car has a list price of £51,122, and zero emissions.

If Mrs Smith did not participate in the Scheme her payslip for July would be set out as follows:-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Jones	AB123456C	A	1257L	4	31/07/2022
Pay and allowances			Deductions ⁹		
	Tax period	Tax year		Tax period	Tax year
Salary	£5,833.33	£23,333.32	Income tax	£1,286.00	£5,144.00
			NIC – employee	£469.63	£1,967.95
TAXABLE PAY	£5,833.33	£23,333.32	TOTAL DEDUCTIONS	£1,755.63	£7,111.95
NET PAY				£4,077.70	£16,221.37
NIC – EMPLOYER				£763.84	£3,055.36

9 Assumes income tax and NIC rates and allowances for 2022/23 apply.

Taking part in the Scheme from the start of the tax year means the payslip changes to reflect the salary sacrifice and the provision of a company car, which is taxed by the reduction of the tax code, from 1257L to 1154L to reflect the car's taxable value of £1,022.44 (£51,122 x 2%):-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Smith	AB123456C	A	1154L	4	30/04/2023
Pay and allowances			Deductions ¹⁰		
	Tax period	Tax year		Tax period	Tax year
Reference Salary	£5,833.33	£23,333.32	Income tax	£960.18	£3,840.72
Sacrifice	(£899.74)	(£3,598.96)	NIC – employee	£440.38	£1,850.95
Revised Salary	£4,933.59	£19,734.36	HSCL – employee	£1,400.56	£5,691.67
TAXABLE PAY	£4,933.59	£19,734.36	TOTAL DEDUCTIONS	£319.66	£319.66
NET PAY				£3,533.03	£14,042.69
NIC – EMPLOYER				£628.43	£2,513.72

Mrs Smith's take-home pay has been reduced by £544.67 but in return she has the use of a car that costs £899.74 per month- a saving of £355.07 per month.

¹⁰ Assumes income tax and NIC rates and allowances for 2022/23 apply.

And for 2023/24, as the Health and Social Care Levy ("HSCL") will be applied separately this should be reflected in the payslip as shown below:-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Smith	AB123456C	A	1192L	4	30/04/2023
Pay and allowances			Deductions ¹¹		
	Tax period	Tax year		Tax period	Tax year
Reference Salary	£5,833.33	£5,833.33	Income tax	£960.18	£960.18
Sacrifice	(£899.74)	(£899.74)	NIC – employee	£391.81	£391.81
Revised Salary	£4,933.59	£4,933.59	HSCL – employee	£48.57	£48.57
TAXABLE PAY	£4,933.59	£4,933.59	TOTAL DEDUCTIONS	£1,400.56	£1,400.56
NET PAY				£3,533.03	£3,533.03
NIC – EMPLOYER				£576.23	£576.23
HSCL – EMPLOYER				£52.19	£52.19

Mrs Smith's take-home pay has been reduced by £544.67 but in return he/she has the use of a car that costs £899.74 per month - a saving of £355.07 per month.

¹¹ Assumes income tax and NIC rates and allowances for 2022/23 apply.

Example 3 – Higher rate taxpayer with a cash allowance

Mr A Williams earns £70,000 per year and receives a cash allowance of £12,000; he chooses a Tesla Model 3 under the Scheme. The salary sacrificed is £899.74 per month. The car has a list price of £51,122, and zero emissions.

If Mr Williams did not participate in the Scheme his payslip for July would be set out as follows:-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Williams	AB123456C	A	1257L	4	31/07/2022
Pay and allowances			Deductions ¹²		
	Tax period	Tax year		Tax period	Tax year
Salary	£5,833.33	£23,333.32	Income tax	£1,686.00	£6,744.00
Cash allowance	£1,000.00	£4,000.00	NIC – employee	£502.13	£2,097.95
TAXABLE PAY	£6,833.33	£27,333.32	TOTAL DEDUCTIONS	£2,188.13	£8,841.95
NET PAY				£4,645.20	£18,491.37
NIC – EMPLOYER				£914.34	£3,657.36

¹² Assumes income tax and NIC rates and allowances for 2022/23 apply.

Taking part in the Scheme from the start of the tax year means the payslip changes to reflect the salary sacrifice and the provision of a company car, which is taxed by the reduction of the tax code, from 1257L to 1154L to reflect the car's taxable value of £1,022.44 (£51,122 x 2%):-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Williams	AB123456C	A	1154L	4	30/04/2023
Pay and allowances			Deductions ¹³		
	Tax period	Tax year		Tax period	Tax year
Reference Salary	£5,833.33	£23,333.32	Income tax	£1,360.18	£5,440.72
Cash allowance	£1,000.00	£4,000.00	NIC – employee	£472.88	£1,980.95
Sacrifice	(£899.74)	(£3,598.96)			
Revised Salary	£5,933.59	£23,734.36			
TAXABLE PAY	£5,933.59	£23,734.36	TOTAL DEDUCTIONS	£1,833.06	£7,421.67
NET PAY				£4,100.53	£16,312.69
NIC – EMPLOYER				£778.93	£3,115.72

Mr Williams' take-home pay has been reduced by £544.67 but in return he/she has the use of a car that costs £899.74 per month - a saving of £355.07 per month.

13 Assumes income tax and NIC rates and allowances for 2022/23 apply.

And for 2023/24 the Health and Social Care Levy (“HSCL”) will be applied separately and this should be reflected in the payslip as shown below:-

Name	NI Number	NI Category	Tax code	Tax period	Date
A Williams	AB123456C	A	1154L	1	30/04/2023
Pay and allowances			Deductions ¹⁴		
	Tax period	Tax year		Tax period	Tax year
Reference Salary	£5,833.33	£5,833.33	Income tax	£1,360.18	£5,440.72
Cash allowance	£1,000.00	£1,000.00	NIC – employee	£411.81	£411.81
Sacrifice	(£899.74)	(£899.74)	HSCL – employee	£61.07	£61.07
Revised Salary	£5,933.59	£5,933.59			
TAXABLE PAY	£5,933.59	£5,933.59	TOTAL DEDUCTIONS	£1,833.06	£1,833.06
NET PAY				£4,100.53	£4,100.53
NIC – EMPLOYER				£64.69	£64.69

Mr Williams’ take-home pay has been reduced by £544.67 but in return he/she has the use of a car that costs £899.74 per month- a saving of £355.07 per month.

14 Assumes income tax and NIC rates and allowances for 2022/23 apply.

Appendix 2a – Payroll distribution of gross salary sacrifice

This appendix shows the breakdown of payments and deductions to be made monthly where the Scheme insurance has been arranged and collected by CVSL and employer NIC savings have not been shared with participants.

Example 1 – Higher rate taxpayer - without contingency from employee

Using Mrs A Smith as an example, set out below are the various payments and deductions associated with her monthly salary sacrifice of £899.74.

CVSL	
Finance rental	£643.12
Maintenance	£43.97
VAT on finance rental and maintenance	£137.42
Monthly insurance premium	£148.34
Monthly payment	£972.85
Employer	
Input VAT recovered ¹⁵	£73.11

Gross monthly salary sacrifice **£899.74**

Example 2 – Higher rate taxpayer - with contingency from employee

Using Mrs A Smith as an example, if you have decided to charge employees a monthly contingency towards early termination charges, set out below are the various payments and deductions associated with her monthly salary sacrifice of £919.74.

CVSL	
Finance rental	£643.12
Maintenance	£43.97
VAT on finance rental and maintenance	£137.42
Monthly insurance premium	<u>£148.34</u>
Monthly payment	£972.85
Employer	
Input VAT recovered ¹⁶	£73.11
Monthly contingency retained	<u>£20.00</u>

Gross monthly salary sacrifice **£919.74**

¹⁵ Assumes full input VAT recovery; that is, the employer is not partially exempt.

¹⁶ Assumes full input VAT recovery; that is, the employer is not partially exempt.

Appendix 2b – Payroll distribution of gross salary sacrifice

This appendix shows the breakdown of payments and deductions to be made each month where the Scheme insurance has been arranged and collected by CVSL and the employer savings have been fully shared with participants.

Example 3 – Higher rate taxpayer - without contingency from employee

Mr A Evans has chosen a VW ID.4 150 kW Family Pro Perform via the Scheme, which has a list price of £47,850 and zero emissions. After the employer has allocated all of its savings against the cost of the car, the salary sacrificed is £818.97 per month.

CVSL	
Finance rental	£665.33
Maintenance	£46.65
VAT on finance rental and maintenance	£142.40
Monthly insurance premium	£151.54
Monthly payment	£1,005.92
Employer	
Input VAT recovery ¹⁷	£75.87
Class 1A NIC and HSCL payable on benefit (monthly equivalent)	£11.72
Class 1 NIC and HSCL savings shared with employee	£122.80
Gross monthly salary sacrifice	£818.97

Example 4 – Higher rate taxpayer - with contingency from employee

Using Mr A Evans as an example, if you have decided to charge employees a monthly contingency towards early termination charges, set out below are the various payments and deductions associated with his monthly salary sacrifice of £838.97.

CVSL	
Finance rental	£665.33
Maintenance	£46.65
VAT on finance rental and maintenance	£142.40
Monthly insurance premium	£151.54
Monthly payment	£1,005.92
Employer	
Input VAT recovery ¹⁸	£75.87
Class 1A NIC and HSCL payable on benefit (monthly equivalent)	£11.72
Class 1 NIC and HSCL savings shared with employee	£122.80
Monthly contingency retained	£20.00
Gross monthly salary sacrifice	£838.97

¹⁷ Assumes full input VAT recovery; that is, the employer is not partially exempt.

¹⁸ Assumes full input VAT recovery; that is, the employer is not partially exempt.

Appendix 3 - Guidance on the completion of Form P46 (Car)



HM Revenue
& Customs

Car provided for the private use of an employee
or a director

Progress:

Employer's details

Full name

Telephone number

PAYE reference

 /

A PAYE reference is a 3 digit number (001 - 999) followed by a reference of up to 10 characters e.g. 123 / YZ456

Back

Next




Progress: 

Employee's or director's details

Full name

Adam Smith

National Insurance number 

AB456789C

Do you know the date of birth of the employee or director?

- Yes
 No

Date of birth

DD MM YYYY

01 02 1990

Gender

- Male
 Female

Back

Next



General details

Show here any changes that have been made

Choose at least one option

- We provided the employee or director with a car, which is available for private use.
- We provided the employee or director with a second or further car, which is available for private use.
- We have withdrawn a car provided to the employee or director and have not replaced it.

Cars provided via salary sacrifice will be available for private use, so choose either the first or second box as appropriate.

Details of the car provided:

Make and model

Please select the engine size

- up to 1400cc
- 1401 - 2000cc
- 2001cc or more
- Unknown

As electric cars do not have an engine, the answer must always be 'Unknown'.

Date first registered

DD MM YYYY

Emissions

Do you have the approved CO2 emissions figure at the date of the first registration?

- Yes
- No

Is the grams of CO2 per kilometre figure between 1 and 50 g/km?

- Yes
- No

Grams of CO2 per kilometre

The CO2 emissions figure can be found on the V5 registration document, and should be zero for a pure electric car.

Details of the car provided:

Price and employee contributions

Price of the car

Please note, this is not the price actually paid, but the price for tax purposes, normally it is the list price at the date of first registration

£

Enter P11D value, which will include factory fitted and dealer fitted accessories and will be confirmed by [Leasecp/broker], without a comma as 50000 or 50000.00.

Price of accessories not included in the price of the car

£

Only include non-standard accessories which are **not** factory fitted or dealer fitted.

Date the car was first made available to the employee

DD MM YYYY

Note - this may be different to the date first registered.

Is there an amount of cash foregone?

- Yes
 No

Because the OpRA legislation does not apply to zero emission cars this should be 'No'.

Is there a capital contribution made by the employee towards the cost of the car and for accessories?

- Yes
 No

An upfront contribution from an employee made, for instance, to obtain a more expensive car than ordinarily available to employees of the same grade or to pay for additional accessories; unlikely to apply to salary sacrifice cars.

Is there a sum that the employee is required to pay for private use of the car?

- Yes
 No

A monthly amount an employee is required to pay to be able to use the car privately; should not apply to salary sacrifice cars.

Fuel for private use

Is fuel provided for private use?

Select 'Yes' if the employee is provided with any fuel at all for private use, including any combination of petrol and gas, or petrol for hybrid electric car. Do not select 'Yes' if only electricity is provided.

- Yes
 No

Because HMRC does not consider electricity to be a fuel, even if an employer allows employees to recharge their cars at work free of charge or directly pays for electricity used to recharge at home, the answer to this question should always be 'No'.

Appendix 4a - Guidance on the completion of Form P11D for salary sacrifice cars



HM Revenue
& Customs

Make sure your entries are clear on both sides of the form.

Employer name

ABC Supplies Limited

Employer PAYE reference

123/A111BB2222

Employee name

Adam

Smith

Works number/department

Sales

P11D Expenses and benefits 2021 to 2022

Note to employer

Fill in this return for a director or employee for the year to 5 April 2022. Send all your P11Ds and one P11D(b) by 6 July 2022 to the address on the back of this form. If you registered online for payroll before 6 April 2021, do not include payrolled benefits on the P11D. For more information, go to www.gov.uk/guidance/paying-your-employees-expenses-and-benefits-through-your-payroll

Note to employee

Keep this form in a safe place. You'll need it to complete your 2021 to 2022 tax return if you get one. The box numberings on this form are the same as on the 'Employment' page of the tax return.

If a director tick here

Date of birth in figures (if known)

0 | 1 | 0 | 2 | 1 | 9 | 9 | 0

National Insurance number

A | B | 4 | 5 | 6 | 7 | 8 | 9 | C

Gender M – Male F – Female M

A PAYE reference is a 3 digit number (001 - 999) followed by a reference of up to 10 characters e.g. 123 / YZ456

Employers pay Class 1A National Insurance contributions on most benefits. These are shown in boxes which are brown and have a **1A** indicator

A	Assets transferred (cars, property, goods or other assets)	Cost/market value or amount foregone	Amount made good or from which tax deducted	Cash equivalent or relevant amount	
	Description of asset	£	– £	=	13 £ 1A
B	Payments made on behalf of employee				
	Description of payment				15 £
	Tax on notional payments made during the year not borne by employee within 90 days of 5 April 2021				15 £
C	Vouchers and credit cards	Gross amount or amount foregone	Amount made good or from which tax deducted	Cash equivalent or relevant amount	
	Value of vouchers and payments made using credit cards or tokens for qualifying childcare vouchers read the P11D Guide	£	– £	=	12 £
D	Living accommodation			Cash equivalent or relevant amount	
	Cash equivalent or relevant amount of accommodation provided for employee, or his/her family or household. Exemptions do not apply if using optional remuneration arrangements read P11D Guide				14 £ 1A
E	Mileage allowance payments not taxed at source			Taxable amount	
	Enter the mileage allowances in excess of the exempt amounts only where you've not been able to tax this under PAYE. The exemptions do not apply if using optional remuneration arrangements read P11D Guide				12 £

These sections do not apply to salary sacrifice cars and should be left blank unless you provide these benefits in addition to salary sacrifice cars.

F Cars and car fuel - if more than 2 cars were made available, either at the same time or in succession, please give details on a separate sheet

	Car 1	Car 2
Make and model	Tesla, Model 3	
Date first registered DD MM YY	31 / 05 / 21	/ /
1 Approved CO2 emissions figure for cars registered on or after 1 January 1998 tick box if the car does not have an approved CO2 figure	0 g/km <input type="checkbox"/>	g/km <input type="checkbox"/>
2 Approved zero emissions mileage. If your hybrid car's CO2 emissions figure is between 1-50 (inclusive)	miles	miles
Engine size	cc	cc
3 Type of fuel or power used please use the key letter shown in the P11D Guide	A	
4 Dates car was available DD MM YY	From 01 / 06 / 21 To 05 / 04 / 22	From / / To / /
Do not complete the 'From' box if the car was available on 5 April 2021 or the 'To' box if it continued to be available on 6 April 2022		
5 List price of car including car and standard accessories only: if there's no list price, or if it's a classic car, employers read tax guide 480	£ 50,000	£
Accessories all non-standard accessories	£ 0 Read P11D Guide	£ Read P11D Guide
6 Capital contributions the employee made towards the cost of car or accessories	£ 0 (maximum £5,000)	£ (maximum £5,000)
7 Amount paid by employee for private use of the car	£ 0	£
8a Date free fuel was withdrawn tick if reinstated in year, read P11D Guide	/ / <input type="checkbox"/>	/ / <input type="checkbox"/>
9 Cash equivalent or relevant amount for each car	£ 423	£
Total cash equivalent or relevant amount of all cars made available in 2021 to 2022	9	£ 423 1A
8b Cash equivalent or amount foregone on fuel for each car	£	£
Total cash equivalent or amount foregone on fuel for all cars made available in 2021 to 2022	10	£ 1A

- For an electric car the approved CO2 emissions to be entered will be '0 g/km'.
- Both the zero emission range and engine size are not applicable for a pure electric car.
- When reporting the 'Type of fuel or power used' a pure electric car is classified as 'Type A'.
- If the car was available for the whole of a tax year 'Dates car was available' should be left blank.
- Most accessories will be manufacturer or dealer fitted and therefore included within the car's list price.
- It's unlikely that an employee will make a 'Capital contribution' toward the cost of a salary sacrifice car.
- The salary sacrifice is not paid 'for private use of the car'.
- Electricity is not regarded as a fuel by HMRC so free fuel boxes should not be completed for a pure electric car.
- Please note - Although salary sacrifice falls within the definition of an Optional Remuneration Arrangement ("OpRA"), cars with emissions of 75 g/km or less are excluded from the tax effect of the legislation and there is no need to calculate the alternative 'relevant amount'. Therefore the car's 'cash equivalent' should be inserted in this box.

G	Vans and van fuel						
	Total cash equivalent or amount foregone for all vans made available in 2021 to 2022			9	£		1A
	Total cash equivalent or amount foregone on fuel for all vans made available in 2021 to 2022			10	£		1A
H	Interest-free and low interest loans	If the total amount outstanding on all loans does not exceed £10,000 at any time in the year, there's no need to complete this section unless the loan is provided under an optional remuneration arrangement when the threshold does not apply					
		Loan 1		Loan 2			
	Number of joint borrowers if applicable						
	Amount outstanding at 5 April 2021 or at date loan was made if later	£			£		
	Amount outstanding at 5 April 2022 or at date loan was discharged if earlier	£			£		
	Maximum amount outstanding at any time in the year	£			£		
	Total amount of interest paid by the borrower in 2021 to 2022 enter 'NIL' if none was paid	£			£		
	Date loan was made in 2021 to 2022 if applicable	/	/	/	/		
	Date loan was discharged in 2021 to 2022 if applicable	/	/	/	/		
	Cash equivalent or relevant amount of loans after deducting any interest paid by the borrower			15	£		1A
I	Private medical treatment or insurance	Cost to you or amount foregone	Amount made good or from which tax deducted			Cash equivalent or relevant amount	
	Private medical treatment or insurance	£	£	=	11	£	1A
J	Qualifying relocation expenses payments and benefits	Non-qualifying benefits and expenses go in sections M and N below					
	Excess over £8,000 of all qualifying relocation expenses payments and benefits for each move				15	£	1A
K	Services supplied	Cost to you or amount foregone	Amount made good or from which tax deducted			Cash equivalent or relevant amount	
	Services supplied to the employee	£	£	=	15	£	1A
L	Assets placed at the employee's disposal	Cost of the benefit or amount foregone	Amount made good or from which tax deducted			Cash equivalent or relevant amount	
	Description of asset	£	£	=	13	£	1A
M	Other items (including subscriptions and professional fees)	Cost to you or amount foregone	Amount made good or from which tax deducted			Cash equivalent or relevant amount	
	Description of other items	£	£	=	15	£	1A
	Description of other items	£	£	=	15	£	
	Income Tax paid but not deducted from director's remuneration				15	£	
N	Expenses payments made on behalf of the employee	Cost to you or amount foregone	Amount made good or from which tax deducted			Taxable payment or relevant amount	
	Travelling and subsistence payments - Cost to you or amount foregone except mileage allowance payments for employee's own car, read section E	£	£	=	16	£	
	Entertainment - Cost to you or amount foregone trading organisations read P11D Guide and then enter a tick or a cross as appropriate here	<input type="checkbox"/>	£	£	=	16	£
	Payments for use of home phone	£	£	=	16	£	
	Non-qualifying relocation expenses those not shown in sections J or M	£	£	=	16	£	
	Description of other expenses	£	£	=	16	£	
	Return all your form P11Ds and one P11D(b) by 6 July 2022 to: P11D and P11D(b), HM Revenue and Customs, BX9 1WE						

Please note that none of the sections on this page relate to cars and data should only be entered if you provide these benefits in addition to salary sacrifice cars.

Appendix 4b – Guidance on the completion of Form P11D – Working Sheet 2

It may be helpful to complete a Working Sheet for each salary sacrifice car.

Having liaised HMRC’s Employer Helpline, HMRC has not amended its working sheets to cater for cars provided via a salary sacrifice scheme which are excluded from OpRA, that is cars with emissions of 75 g/km or less.

Strictly speaking a Working Sheet 2(b) (“WS2b”) should be completed for salary sacrifice cars, because they are provided via an Optional Remuneration Arrangement (“OpRA”), but as the ‘amount foregone’ for pure electric cars must be zero, HMRC advice (provided in April 2022) is to complete Working Sheet 2 for these cars to ensure the correct taxable benefit is reported.

Ultimately, it’s the information on the P11d that need to be correct.



P11D Working Sheet 2 Car and car fuel benefit 2021 to 2022

Note to employer

Do not use this form if the benefits are provided under an optional remuneration arrangement. Instead use working sheet 2b. Also, read appendix 12 in tax guide ‘480’ for guidance on how to determine the relevant amount to be treated as earnings.

You do not have to use this form but you may find it a useful way to calculate the cash equivalent for each car made available to a director or an employee for the year 2021 to 2022 (that is 6 April 2021 to 5 April 2022).

A separate form is needed for each car provided to the director or employee during 2021 to 2022.

Read the ‘P11D Guide’ before you complete this form. It refers to paragraphs in tax guide ‘480 (2022)’.

We advise you to keep a copy of each completed working sheet as it could help you to deal with enquiries. You do not have to give a copy of the completed working sheet to the director or employee. Do not send a copy to HM Revenue and Customs.

You must fill in forms P11D and ‘P11D(b) Return of Class 1A National Insurance contributions due’ whether or not you use this form to calculate car and car fuel benefits.

The term employee is used to cover both directors and employees throughout the rest of this form.

To avoid completing P11D forms, you can payroll car and car fuel benefit for future tax years online. For more information, go to www.gov.uk/guidance/paying-your-employees-expenses-and-benefits-through-your-payroll

Employer details

Employer name

ABC Supplies Limited

Employer PAYE reference

123/A111BB2222

Employee details

Employee name

Smith

Adam

Works number or department

Sales

National Insurance number

A | B | 4 | 5 | 6 | 7 | 8 | 9 | C

A PAYE reference is a 3 digit number (001 - 999) followed by a reference of up to 10 characters e.g. 123 / YZ456

Make and model of car available to employee

Tesla Model 3

Date the car was first registered

31 / 05 / 2021

Was this the only car made available to the employee? Yes No

If 'No' please make sure that working sheets are completed for each car made available to the employee in 2021 to 2022.

If more than one working sheet 2 is completed for this employee, enter the number of sheets here

*

1 List price of the car

Complete box A as follows:

- enter the list price of the car as published by its manufacturer, importer or distributor
- if the car had no list price when it was first registered you need to enter the notional price - that is, the price which might reasonably be expected to be its list price on that date if the car's manufacturer, importer or distributor had published a list price for an equivalent car for a single retail sale in the UK
- if the car is a classic car, enter the price that the car might reasonably be expected to fetch if you sold it on the open market on 5 April 2022
- if the car is a classic car and was unavailable to the employee on 5 April 2022 then use the last day in the tax year 2021 to 2022 that it was available to the employee - for this purpose, assume that all the qualifying accessories available on the car are included in the sale

A classic car is one which:

- is at least 15 years old on 5 April 2022
- has a market value of at least £15,000
- has a market value which is higher than the original list or notional price (including accessories)

Price of the car including standard accessories

A £ 50,000

2 Accessories

Price of all accessories read the 'P11D Guide' and tax guide '480 (2022)'

B £ 0

A + B

C £ 50,000

3 Capital contributions

Capital contributions made by the employee towards the cost of the car or the accessories
max £5,000

D £ 0

C minus D

4 The price used to calculate the car benefit charge for 2021 to 2022

E £ 50,000

P11D WS2 (2022)

HMRC 04/22

If an employee has a company car and a salary sacrifice car, or 2 salary sacrifice cars enter:

'x' in the 'No' box; and
'2' in box '*'.

For **2 Accessories** - only include non-standard accessories which are **not** factory or dealer fitted.

A 'Capital contribution' is an upfront contribution from an employee made, for instance, to obtain a more expensive car than ordinarily available to employees of the same grade or to pay for additional accessories; it is unlikely to apply to salary sacrifice cars.

5 Calculating the appropriate percentage

The appropriate percentage depends on when the car was first registered, the type of fuel used and whether it has an approved CO₂ emissions figure.

Approved CO₂ emissions figure if the car has one

F 0 g/km

Enter the key letter (F, D or A) for the car's fuel or power type from table 1 below.

A

TABLE 1	
Key letter	Car type
F	Diesel cars which meet Euro 6d standard
D	All other diesel cars
A	All other cars

Next step

For cars registered:

- on or after 1 January 1998 with an approved CO₂ emissions figure, go to section 5a
- on or after 1 January 1998 without an approved CO₂ emissions figure, go to section 5b
- before 1 January 1998, go to section 5c

5a Cars registered on or after 1 January 1998 with an approved CO₂ emissions figure

Approved CO₂ emissions figure in box F, if this exceeds the 2020 to 2021 relevant threshold of 55g/km it should be rounded down to the next lowest 5g/km, for example 128 to 125.

G 0 g/km

Approved zero emission mileage if box G is between 1 to 50 g/km (inclusive). This is the maximum distance in miles, for which the car can be driven in electric mode without recharging the battery.

H miles

Using table 2 below, use the date the car was first registered, the figure in box G (CO₂) and if applicable box H (zero emission mileage) to work out the percentage to enter in box I, use:

for cars registered before 6 April 2020

- column 1 for all cars in fuel type A and F
- column 2 for all cars in fuel type D

for cars registered from 6 April 2020

- column 3 for all cars in fuel type A and F
- column 4 for all cars in fuel type D

Appropriate percentage

I 1 %

Go straight to section 6 - do not complete sections 5b or 5c

For 5: The 'Approved CO₂ emissions figure' can be found on the V5 registration document, and should be zero for a pure electric car.

The key letter for all zero emission cars will be 'A'.

Section 5a is the correct part to complete for new zero emission cars and Sections 5b and 5c should be left blank. The 'Approved CO₂ emissions' for pure electric cars is zero. The 'Approved zero emission mileage' is not applicable to pure electric cars.

6 Calculate the car benefit for a full year

Ignore any decimals when completing box M

E x I, K or L
M £ 500

7 Make any deductions for days the car was unavailable

If the car was available to the employee for the whole of the tax year, put the figure in box M into box Q. If not, give the dates the car was available

from to

Total days the car was unavailable read the 'P11D Guide' and tax guide '480 (2022)'

N 56

Deduction for unavailability round up to next whole number

(M x N)/365
P £ 77

Car benefit for the period the car was available

M minus P
Q £ 423

8 Make any deductions for payments for private use

Enter any required payments made for private use of the car in the year

R £ 0

Car benefit charge for 2021 to 2022 for this car (ignore any decimals)

Enter the figure at box S onto form P11D, at section F box 9

If the employee had more than one car available in the year, add together all the figures at box S on each working sheet, then transfer the total to form P11D, at section F box 9.

Q minus R
S £ 423

For **7**: If a salary sacrifice contract starts during a tax year, include the period from the date the car was delivered to the end of the tax year

For **8**: A 'private use' contribution is a monthly amount an employee is required to pay to be able to use the car privately; this should not apply to salary sacrifice cars and the salary sacrificed is not a private use contribution.

Because electricity is not regarded as a fuel by HMRC Section 9 should not be completed for a pure electric car.

Appendix 4c - Guidance on the completion of Form P11Db



Return of Class 1A National Insurance contributions due: return of expenses and benefits

Employer declaration for the year ended 5 April 2022

About this form

This form is designed to be filled in on screen. You must answer all the questions except those marked 'optional'. You cannot save the form but once you've completed it you'll be able to print a copy and post it. Please read the notes below before completing this return.

Notes for employer

Do not declare any amounts already reported under the Taxed Award Scheme arrangements.

You should give each employee or director a copy of their P11D information and send the completed forms P11D and P11D(b) to your HM Revenue and Customs (HMRC) office by 6 July (you do not need to submit a P11D for expenses and benefits you have registered to be taxed through your payroll).

Pay Class 1A NICs shown on the return to the accounts office. Details on how to pay can be found on our website.

For more information follow the link below.

[Pay employers' Class 1A National Insurance](#)

You should pay by:

- 19 July if the payment is by post
- 22 July if the payment is by an approved electronic method

Where 22 July falls on a weekend or bank holiday, your payment should reach our bank account no later than the last bank working day before 22 July unless you are paying by Faster Payments. Interest is chargeable on payments paid late. We may charge penalties if payment is not made in full and on time. The filing date for the return is 6 July. If we do not receive the return by 19 July, penalties will be charged at the rate of £100 per month or part month of lateness for every 50 or part batch of 50 employees provided with benefits.

Class 1A National Insurance contributions (NICs) due

Employers pay Class 1A NICs on benefits which have to be returned on forms P11D or taxed through payroll except where Class 1 NICs or Class 1B NICs are due. Before completing the forms P11D and this return, read the P11D(Guide) and CWG5(2022) 'Class 1A National Insurance contributions on benefits in kind. A guide for employers'.

For more information follow the links below.

[P11D\(Guide\)](#)

[CWG5\(2022\)](#)

Next

Form P11D(b) may be submitted using commercial payroll software, HMRC's PAYE Online service, or by completing the online pdf, which must then be saved and printed before being posted to HMRC.



Progress:

Forms P11D

As an employer you must complete a return of taxable expenses payments and benefits, form P11D, for each employee and for each director if:

- you've provided them with expenses or benefits which you have not registered to be payrolled and aren't covered by PAYE Settlement Agreement
- you've arranged for taxable expenses or benefits to be provided by a third party

Send this declaration with the completed forms P11D to your HMRC office. If you choose to send the forms P11D in batches, send the declaration with the final batch.

References in this return to forms P11D and HMRC office should be read as including the return of expenses payments and benefits by magnetic media to Shipley Data Centre.

Back

Next

[This is a transitional page setting out certain instructions for the completion of Form P11D\(b\).](#)

Progress: 

Employer details

Employer PAYE reference 

/

A PAYE reference is a 3 digit number (001- 999) followed by a reference of up to 10 characters e.g. 123 / YZ456

Accounts Office Reference 

A 13 character reference on the yellow HMRC PAYE Payslip booklet P30BC. The format is (3 numbers, 2 letters, 8 numbers). Where references are not 13 characters long zeros (0) must be entered after the 2 letters to make up the 13 characters e.g. 123PA45678 must be 123PA00045678.

Employer name

Address

Is this address in the UK?

- Yes
 No

Line 1

Line 2

Line 3 (optional)

Postcode



Progress:

Class 1A National Insurance contributions (NICs) due

Total benefits liable to Class 1A NICs from forms P11D

This is the total of the brown Class 1A NICs boxes on forms P11D, and/or the total benefits that have been taxed through your payroll. There is a quick guide to working out whether Class 1A NICs are due in Part 2 of the CWG5 if you're not sure.

£

The total cash equivalent of all benefits liable to Class 1A NIC for all employees, including all salary sacrifice cars; e.g. £5,000.00 + £10,020.00 + £10,100.00 = £25,120.00.

Do you need to adjust the figure entered above?

Paragraph 18 of CWG5 explains circumstances in which you may need to make adjustments.

- Yes
 No

In most cases you would choose 'No' but in the unlikely event that you believe the Class 1A NIC include in the brown box of any P11D form is incorrect you should choose 'Yes' and complete the adjustment page presented.

Class 1A NICs payable

Total benefits multiplied by Class 1A NICs rate 13.8%

£

This entry is automatically calculated by HMRC's software based on the amount entered above for total benefits liable to Class 1A NIC.



Progress:

Employer declaration

Select the relevant option and fill in the appropriate details

- No expenses payments or benefits that must be returned on forms P11D or taxed through payroll have been or will be provided for the year ended 5 April 2022.

I confirm that all details of expenses payments and benefits that must be returned on forms P11D for the year ending 5 April 2022 are enclosed with this declaration. I confirm that I have declared

- any Class 1A NICs due for expenses payments and benefits that have been taxed through the payroll. I declare that the details provided are fully and truly stated to the best of my knowledge and belief.

- Forms P11D for the year ended 5 April 2022 were sent to an HMRC office.

I confirm that details of expenses payments and benefits that must be returned on forms P11D or taxed through payroll have been sent to HMRC.



I declare that all the details on this form are fully and truly stated to the best of my knowledge and belief.

When you have printed the form, please sign and date it in the appropriate boxes.

Capacity in which signed

The declaration should be signed by the employer or any person authorised to do so.

A Person

Back

Next

If you do not tax benefits via payroll then click the circle highlighted above.

If you do tax benefits via payroll then click the circle in the middle.

The square must be checked to confirm that you have sent completed P11D forms to HMRC for the tax year.

The form must then be either signed and submitted online or printed off and signed.