

[5.3.8] Forms P11D

Tax treatment of, and Form P11D return requirements for certain benefits

Reviewed: April 2016

Introduction

The following clarifies the position in relation to certain benefits, etc. This is, of course, subject to any particular facts and circumstances which may exist in any case.

Education expenses of employees

- **Preferential university fees in respect of children of full-time university staff:**

This is exposed to the charge to tax.

Where the preferential university fees consist of the discharge/discount of the employee's liability, the amount of the fees discharged/discounted should be included in the return unless already included in gross pay.

Where the circumstances are such that the benefit-in-kind rules apply, the amount to be included in the return is the expense incurred by the employer - marginal cost figures may be included for Form P11D purposes. Where the provision of the university place to the child of the employee displaces an otherwise fee-paying individual the income forgone should be taken into account as part of the expense incurred in providing the benefit.

- **Work-related training and education expenses of employees:**

Where the payment is a re-imbursement of expenses incurred in studying and sitting for the examination and is reasonable in amount and does not represent disguised remuneration it need not be included in the Form P11D.

Free Medical Services

This is exposed to the charge to tax.

Where the nature of the service is such that it is not practicable to assign the expense to individual employees the individual amounts need not be shown on the Form P11D. It will suffice to include a general note of the type of service involved.

Recreational facilities

The provision of recreational facilities is exposed to a charge to tax.

However, where it is not feasible to attribute the expense to individual employees, this item need not be returned on the Form P11D.

Travel and Entertainment expenses

Business Entertainment expenses

Entertainment expenses are exposed to the charge to tax. However, such expenses which are incidentally provided for staff as part of business entertainment for say, clients, and which are no more than a re-imbursement of vouched expenses actually incurred by the employee in the performance of the duties of the employment need not be included in the Form P11D.

Provision of free transport mainly to ensure the safety of the employee, etc.

Where provided on an irregular basis to employees who are required to work late by the employer and who do not have their own transport, it need not be returned on Form P11D.

Uniforms

The provision of clothing to staff is exposed to the charge to tax.

In regard to the tax treatment of distinctive uniforms the facts and circumstances under which the uniforms are provided for staff, nature of job, etc. would need to be considered. This matter and the issue of whether these should be returned on Form P11D must be examined on a case by case basis.