

P11D - 2016 Factsheet

The way in which items are reported for the successful completion of the P11D form for benefits in kind and for non-allowable expenses, for the 2015/16 tax year, remains unchanged for P11Ds due to be submitted by 6 July 2016.

However, there have been revisions to some of the rates. The first of those rate changes is HMRC's Official Rate of Interest. This change from 3.25% to 3% will affect the calculations and reported amounts for:

- Section D – Living Accommodation
- Section H – Beneficial Loans

There have also been changes to the CO2 emission rates used to calculate the benefit in kind for company cars and vans. These rate changes impact the reported amounts for:

- Section F – Company cars and car fuel payments
- Section G – Company vans and van fuel payments

AAT's Budget page has information on the current rates.

Changes announced for the 2016/17 tax year that will impact P11D reporting

It is important to note, that whilst there are no changes to legislation, other than rates for the items reported on the P11D for the 2015/16 tax year, there are some significant changes taking place from April 2016 that will impact what is reported for the 2016/17 tax year.

Changes to the dispensation process will mean that where expenses, and professional subscriptions that are not subject to tax and/or National Insurance, no dispensation will be required and no reporting in boxes M or N will be required as long as the transaction meets the exemption. There will also be new trivial benefits legislation introduced in the 2016 Finance Bill: this may mean some, previously reported benefits given to employees, will not be reported.

There are also expected to be changes to the way in which company cars are reported, however further details are due after April 2016.

Another significant change from April 2016 that will impact the reporting requirements for the 2016/17 tax year is the abolition of the P9D. This will mean that any person, with the exception of Ministers of Religion and some live in carers, will be subject to P11D reporting where benefits in kind are provided, regardless of earnings; that is, the £8,500 limit will no longer exist.

Employers, from April 2016, can also opt to process benefits in kind through the payroll, removing the requirement for reporting on a P11D. All benefits in kind can be processed in this way, with the exception of:

- Vouchers
- Accommodation
- Beneficial loans

For more details on the changes coming into force from April 2016, that will impact reporting for the 2016/17 tax year please go to the **February edition of HMRC's Employer Bulletin**.