EPM Guide to P11Ds

A P11D is a form that reports the value of benefits in kind that employees or directors receive from their employer. The P11D is issued by the employer and sent to HMRC after each tax year.

The P11D is usually relevant to businesses whose workers use company cars or other company-owned equipment to do their jobs. But employees may also receive one if they work from home, have a company credit card, living accommodation provided by the business, or perks such as private medical insurance.

What can I expect to find on a P11D?

- The tax year the form relates to
- Employer details including PAYE reference
- Employee details including National Insurance number
- Details of assets transferred to the employee or director, including company cars or other equipment. In the case of company cars, this includes the make and model, engine size, list price and other details
- Mileage allowance information
- Value of any relevant vouchers or payments made on behalf of the employee
- Private healthcare.

Does every worker receive a P11D?

It's worth knowing that not every worker who receives taxable benefits will get a P11D from their employer. There are some exceptions. Here are just a few of the circumstances in which you may not receive a P11D:

- if your employer has a Payroll Benefit in Kind in place (PBiK) and takes the tax you owe on benefits and expenses out of your pay
- if your employer simply tells you how much your benefits are worth instead.

Who is responsible for filling out the P11D

It is the employer's responsibility to complete the P11D forms and pass a copy to the employee - the employees don't need to do anything.

It can sometimes be complicated to fill in information for lots of different employees on a range of benefits and expenses. Thankfully, HMRC has a P11D calculator you can use to work out the taxable value of things like company cars.

P11D deadlines and how to submit P11D forms

Employers have strict deadlines to meet in relation to the P11D form. Each year, they must submit P11D forms for all applicable workers online by 6 July, after the tax year has ended. All employees should receive their copy of the P11D by the same date.

By 22 July, employers must make sure they have paid all Class 1A National Insurance contributions owed in relation to P11D.

If you miss the P11D deadlines for submitting your forms, you could face a penalty of £100 per 50 employees for each late month.

Is my P11D Important and what the implications to the employees?

As an employee, your P11D is useful for several reasons. You'll need it if you submit a tax return, and it may also affect the tax you pay. This is because any taxable expenses or benefits you receive from your employer can be offset against your tax code - which could mean you pay more tax.

How will EPM support?

As your payroll bureau, we will support you with the P11D process form start to finish. As stated in our specification for payroll services, it is the school's responsibility as the employer to accurately complete P11D forms to issue to staff.

Schools that have not previously been required to submit P11Ds should not usually need to report anything, unless anything has changed in your benefits offering to employees.

You will receive correspondence from us following the April payroll, outlining the exact steps you need to follow. Within this, we will provide a link to the P11D form and a list of the employees and the amounts of reportable pay elements we are aware of. The main areas we will cover are:

- after receiving confirmation of your P11Ds, we will create the P11D online
- calculate any Class 1A NIC due
- submit the P11DB online to HMRC
- make the required Class 1A NIC payments on your behalf, to HMRC by 22 July.

Payrolled Benefits in kind

As an employer you can register with HMRC for a Payroll Benefit in Kind. You need to register before **6 April** to start payrolling for the following tax year. This is because HMRC need to amend your employees' tax codes in advance to remove any BiKs (benefits in kind) previously included. All subsequent years need to be registered before the start of the tax year.

Benefits in kind (BiK) are any benefits given by an employer to their employees or directors, which are not part of their salary or wages. Some of the most common BiK examples include company cars, medical or dental insurance, and childcare vouchers. Payrolling benefits in kind (PBiK) is a voluntary process that allows employers to subject the taxable value of benefits in kind to tax via the payroll during the tax year.

We strongly encourage employers to register for payroll benefits and expenses online for the administrative efficiencies by 6 April 2024 to process benefits through the payroll for the 2024/25 tax

year. For more information please see - Payrolling: tax employees' benefits and expenses through your payroll.

What are the key benefits?

- Employers no longer need to submit P11D and P46 forms to HMRC
- Simpler tax codes mean HR teams receive fewer queries from employees regarding tax
- Tax deductions in monthly payroll will be more accurate
- Tax codes for individuals should change less frequently
- Fewer forms for employers to complete at year-end.