

News story: Employers need to provide details for all Benefits in Kind

Employers need to report all Benefits in Kind (BiKs), including those under the Optional Remuneration Arrangements (OpRAs), to HMRC on form P11D from today (6 April 2018), unless they are registered to voluntarily payroll benefits.

OpRAs are where an employee gives up the right to an amount of earnings in return for a Benefit in Kind (BiK) and includes flexible benefit packages with a cash option, cash allowances and salary sacrifice.

The Income Tax and employer National Insurance contributions (NICs) advantages of BiKs – and employee NICs advantages where a charge exists – have mainly been withdrawn due to new rules that took effect in April 2017.

From today, the rules will cover all OpRAs, apart from those for cars with emissions above 75g CO₂/km, school fees and accommodation – these will be included from 6 April 2021.

If a BiK is provided under OpRA rules, the taxable value is now the higher of the cash foregone or the taxable value under the normal BiK rules. This applies to all BiKs, including those that were previously exempt, such as workplace parking.

However, pensions, pension advice, childcare, cycle-to-work schemes and cars with emissions of 75g CO₂/km or less are not affected by the rules.

Employers need to ensure that they complete their P11D accurately, including all the details of cars and loans provided.

Common errors in P11Ds received by HMRC include inaccurate recording of car emissions, time apportionment and free use of fuel, and the incorrect classification of 'making good'.

The closing date for employers to send P11Ds to HMRC is 6 July 2018.

You can read [general guidance on salary sacrifice](#) as well as [technical advice](#).