



# Russell & Co.

## Chartered Accountants

*Incorporating Rochman Goodmans Chartered Accountants*

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31st March 2015

Dear Directors

### TAX & CLASS 1A NATIONAL INSURANCE CONTRIBUTIONS ON 'BENEFITS'

As an employer, you are responsible for calculating and paying Class 1A National Insurance Contributions on any benefits that are made to any employee.

#### Examples of Some Potentially Applicable Benefits

- Assets transferred from the employer to the employee
- Payments made by the employer on behalf of the employee
- Living accommodation provided by the employer to an employee and his or her family
- Mileage allowance payments (over the approved 45p/25p per business mile)
- Company cars and vans and provision of fuel
- Interest free, low interest and notional loans to an employee
- Private medical treatment or insurance
- Qualifying re-location expenses, payments and benefits
- Round sum allowances towards employee expenses and business travel

You also have to report details of any payments made (other than declared salary) which the Revenue might regard as 'hidden' remuneration and thus a potential tax-free payment. **However if these are genuine and vouched expenses payments there is no longer a need to report these amounts.**

I don't think this situation is likely to occur so far as your employees are concerned but I am attaching a checklist which I should like you to peruse and let me know if you think there are any items which should be reported.

There is a deadline for submitting any forms required to the Revenue of **6<sup>th</sup> July 2015** and obviously if action is required my firm needs time to carry out that work. **Please therefore get back to me as soon as possible and definitely no later than 8<sup>th</sup> May.**

If you have any questions or queries please do not hesitate to contact me.

Yours sincerely

Andy Russell

