

P11D Checklist Guidance

Tax Year Ended 5th April 2026

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Introduction

Forms P11D and P11D(b) are used to report taxable benefits that have been provided to your employees and directors, and to others (spouses, children etc) by reason of the employment:

- Each employee/director that has received taxable benefits from the company should be provided with an individual Form P11D, which summarises the benefits received and their corresponding values. For tax purposes, these values are effectively added to each employee or director's taxable employment income and will be taxed at their marginal rate.
- Form P11D(b) is solely for the employer and will show the total value of all benefits provided, alongside the corresponding Class 1A National Insurance (NI) liability (15% of the value of benefits).

The forms must be submitted to HMRC by 6 July 2026, and the resulting Class 1A NI should be paid to HMRC by 22 July 2026 (or 19 July 2026 if the payment is not being made electronically). Late submission or payment will result in penalties and interest.

Please note that if a benefit has been included for tax and NICs purposes on the payroll, through the Payrolling Benefits in Kind (PBIK) system, then there is no requirement to report it on Form P11D. However, a Form P11D(b) would still be required. Further detail is provided on page 10.

Please be aware that this guidance note is not a comprehensive guide and is solely intended to act as a prompt to determine whether a taxable benefit has been provided to an employee. The benefits listed are the most common ones but are by no means exhaustive.

If you believe that any benefits or expenses in this guide or otherwise apply to any of the company's employees, please get in touch with your usual contact at Lubbock Fine.

Business expense exemption

Employers do not have to report the payment or reimbursement of expenses for which the employee would be able to claim a reciprocal deduction for.

This includes expenses incurred in the normal course of business, including qualifying business travel and subsistence, business entertainment, work clothing and training costs, to name a few.

When providing the information for the preparation of the Forms P11D, please ensure that any exempt business expenses are excluded from the data you provide. If you are unsure whether an expense or benefit should be considered as exempt, please contact us for advice.

Transfer of assets

If an asset has been transferred to an employee/director at less than market value, please provide us with the following:

- The market value of the asset when it was transferred
- The market value of the asset when it was originally provided
- Any amount the employee paid towards the cost, if applicable
- Any amounts already charged for use of the asset, if applicable

Please note that the above rules would not apply to cars and houses given to an employee; in these cases, the benefit is just the market value less any amount paid by the employee.



Payments made on behalf of employees

Any personal liabilities of an employee which were paid by the employer, should be reported on the respective employee's Form P11D. An example of this is a home broadband bill which is in the employee's name.

You should keep a record of the amounts paid on behalf of the employee and provide these to us. Note, however, that these payments should be accounted for on the payroll at the time the payment is made for NICs purposes only.

Vouchers & credit cards

Company credit cards used by employees for business purchases are exempt and do not need to be reported. Personal expenses may need to be reported on the P11D.

Any vouchers provided to an employee may also need to be reported, unless the 'trivial benefit' exemption applies. Please contact us if you need advice about this.

Professional subscriptions

Professional subscriptions made on behalf of an employee will not need to be reported on Forms P11D if they are on HMRC's approved list:

[Approved learned societies and professional organisations \(List 3\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/learned-societies-and-professional-organisations-list-3)

If you have paid for a professional subscription which is not on this list, please provide us with the details and let us know the specific amount paid.

Living accommodation

Living accommodation provided to an employee is a benefit unless it falls within very narrow exemptions.

The value of the benefit is calculated differently depending on whether the accommodation is owned by or rented by the employer.

Rental accommodation

For accommodation that is rented by the employer and then provided to the employee, the benefit is the rent paid by the employer, plus any other charges associated with the lease such as agency fees.

Company owned accommodation

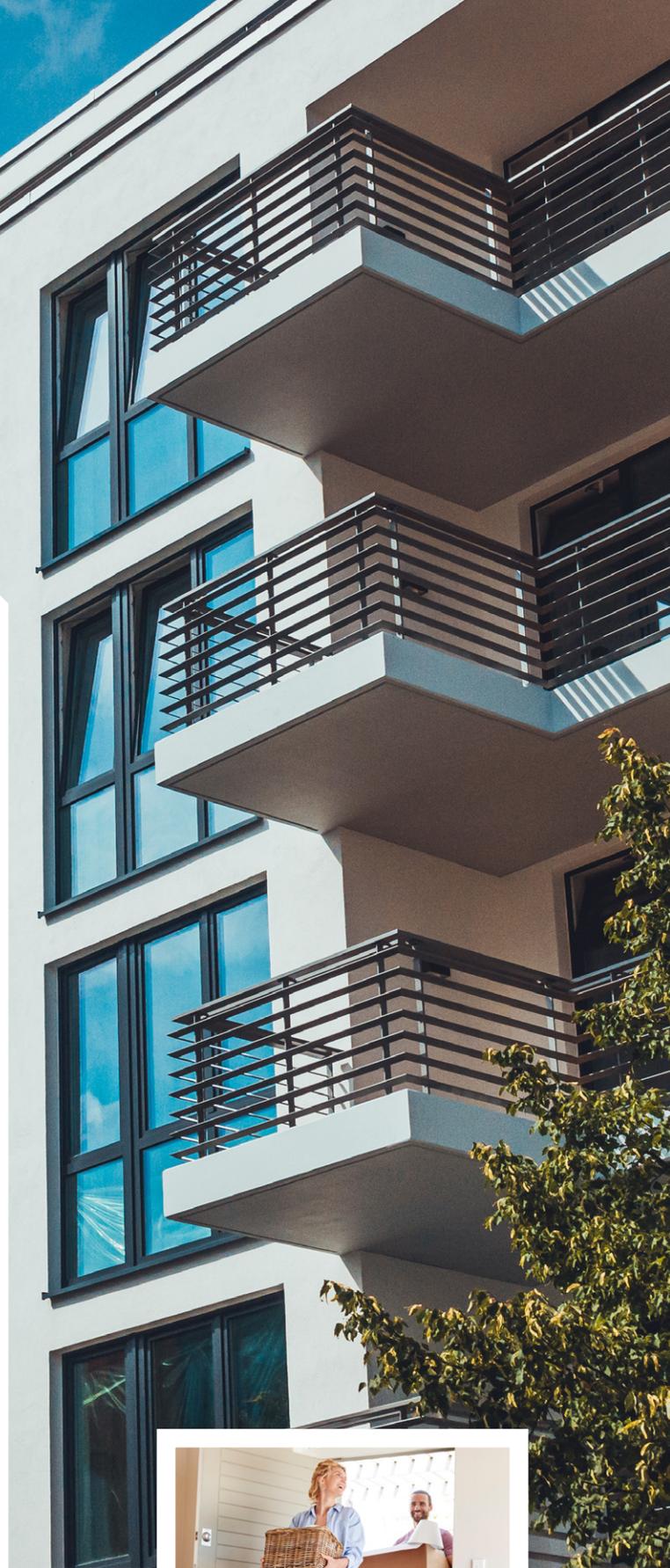
Where the company provides the employee with accommodation which it owns, the value of the benefit is based on the 'annual value' of the property, plus an additional amount based on the purchase price or the market value when the accommodation was first provided to the employee. If you are unsure about what the annual value might be, please contact us for advice.

An additional surcharge applies to properties which cost more than £75,000. In practice, most properties in the UK will be subject to this.

Other points

The payment of council tax, utilities, cleaning etc are reported as a separate benefit on the Form P11D.

Employee contributions towards the accommodation costs will offset the benefit charge.



Company vehicles and mileage

Company cars

Company cars available for an employee's private use will result in a taxable benefit that is based primarily on the car's value and its CO2 emissions. If this applies, please could you provide us with the following details:

- The car make and model;
- The registration number and date of first registration;
- CO2 emissions;
- Date/s of any changes of vehicles;
- The manufacturer's list price (note that this is not the same as the purchase price);
- If the car was a hybrid, the electric range in miles;
- The price of any accessories added to the car;
- Any amounts the employee contributed towards the cost of the car or its ongoing maintenance;
- Any periods of 30 days or more where the car was not available to the employee.

A separate benefit arises if fuel was provided to the employee for their private journeys. If this applies, please let us know:

- The type of fuel used (i.e. petrol or diesel)
- If the car is electric, please let us know whether the company funded the charging costs for private journeys and whether the charging facilities were onsite or installed at the employee's home.
- Any employee contributions.

Company vans

If a van has been provided for an employee's private use, the taxable benefit that arises is simply £4,020.

In addition, there is a benefit of £769 where the company provides free or subsidised fuel for the employee's private use.

There is no van or fuel benefit if private use is insignificant, or if the van has zero emissions.

As was the case with cars, further reductions may apply if the van was not available throughout the tax year or if contributions were made towards the cost.

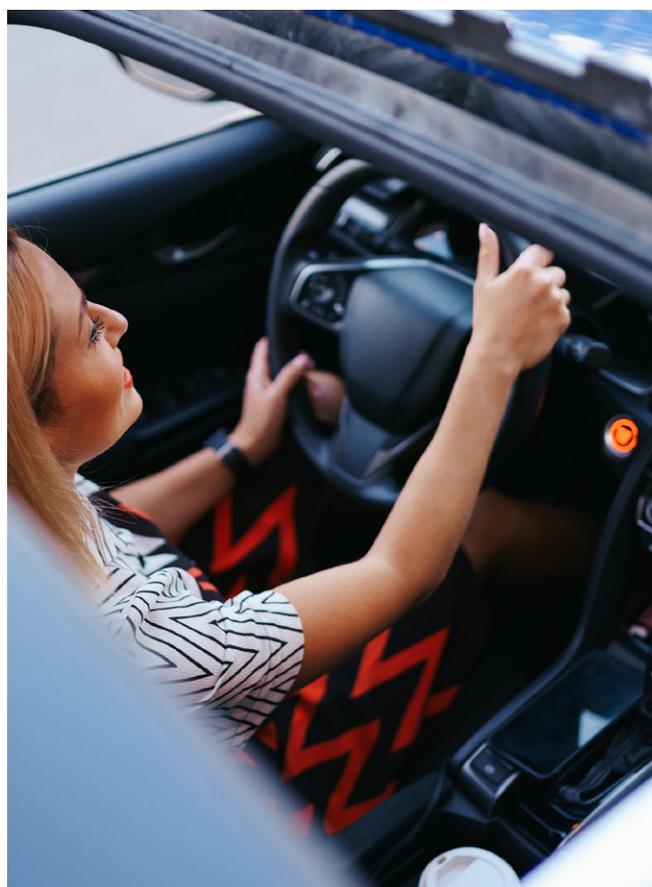
Note that double cab pickups are likely to be treated as cars for benefit purposes, from April 2025. There are transitional rules for vehicles purchased, leased or ordered prior to 6 April 2025, please contact us if you need more information.

Mileage allowance

If an employee or director used their own vehicle for business purposes and the company contributed to the cost, a benefit may arise depending on whether the payments made are within HMRC's approved mileage allowance. These limits are as follows, and are supposed to cover all running costs of the vehicles during their use for business journeys:

Vehicle	First 10,000 business miles	Additional business miles
Cars or Vans*	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

If payments were made in excess of the above rates, then the excess is reportable as a benefit on form P11D. Payments made within the above rates are exempt.





Interest free and low interest loans

Any loan provided to an employee/director which carries an interest rate of less than HMRC's official rate of interest (3.75% for 2025/26) is a benefit for the employee/director. Most commonly this is seen through a director's overdrawn loan account.

An exemption, however, applies where the total of all loans the employee or director has outstanding is less than £10,000.

Please therefore let us know if at any point during the tax year an employee or director had outstanding loans totalling more than £10,000.

Medical and dental insurance

Medical insurance premiums paid by the company for their employees/directors (and their family members) amount to a taxable benefit and must be reported on the P11D.

Refunds of premiums or contributions by the employee will offset the value of the benefit and you should provide details when sending us your information.

Where the policy year does not match the tax year you should apportion the premiums paid for the relevant months in accordance to the 2025/26 tax year.

Critical illness/Keyman insurance

Critical illness/Keyman insurance is a taxable benefit if the policy is in the name of the individual and the beneficiary of any relevant insurance pay-out is the individual and not the company. If the contract is in the company's name and any pay-out is made to the company, then there is no benefit in kind for the employee and no need to report any details on the P11D form.

Relocation expenses

Where an employee has been required to relocate due to their role, up to £8,000 of qualifying relocation expenses (per move) paid for by the company is exempt from taxation.

Examples of qualifying relocation expenses include moving costs, costs associated with the sale/purchase of a property, short term storage costs etc.

Please let us know if you have any questions regarding this.

Mobile phones

The provision of a single mobile phone to an employee or director is exempt from tax and NICs provided that it is for business use (incidental private use is allowed).

This exemption covers the cost of the phone, line rental and cost of calls which are contracted in the name of the company and paid for directly.

If your company provides more than one mobile phone to an employee/director a taxable benefit will arise.

Meeting phone costs in ways other than contracting for the phone directly can result in different outcomes:

Contract not in the company name

- Where the contract for the phone is in the name of the employee (or another related party) and the monthly payment covers all the tariff and call charges, there is no tax relief available to the company or employee. In these cases, only if there is specific and additional charges for business calls will any tax relief be due if you reimburse any costs to the employee or make payment for the phone contract directly.
- If the company pays the full cost of the employee's mobile phone bill, when the contract is in the employee's name, this will be regarded as a taxable benefit in kind.
- If the amount in the monthly contract cost is paid to the phone company directly, then the benefit can be reported on the form P11D for tax purposes but should still be reported via payroll as the payment is liable to class 1 National Insurance Contributions.
- If you reimburse the employee directly for the monthly cost of their phone, then the payment should be reported via payroll for both tax and NIC purposes and not reported on form P11D.

Pay as you go

If an employee uses a pay as you go mobile phone, only the cost of the business calls they make can be treated as exempt from tax. Such amounts do not need to be reported on form P11D.

The cost of any other calls you pay for and reimburse to your employees will be taxable and should be reported via payroll and not on the form P11D.

Childcare

The payment of an employee's childcare costs can result in a taxable benefit for the employee. This is the case whether the payment is made directly or through a childcare voucher scheme.

HMRC has laid out weekly tax-free limits, which are shown in the table below:

	Per week (£)
All taxpayers for entrants prior to 6 April 2011	55
Entrants between 6 April 2011 – 4 October 2018 (closed thereafter)	
Basic rate taxpayers	55
Higher rate taxpayers	28
Additional rate taxpayers	25

Employer payments in excess of the above tax-free limits will result in a taxable benefit, so please provide us with the details if relevant.

Note that there is a special exemption which applies to certain workplace nurseries, which we can provide further detail on should this be applicable.





Working from home

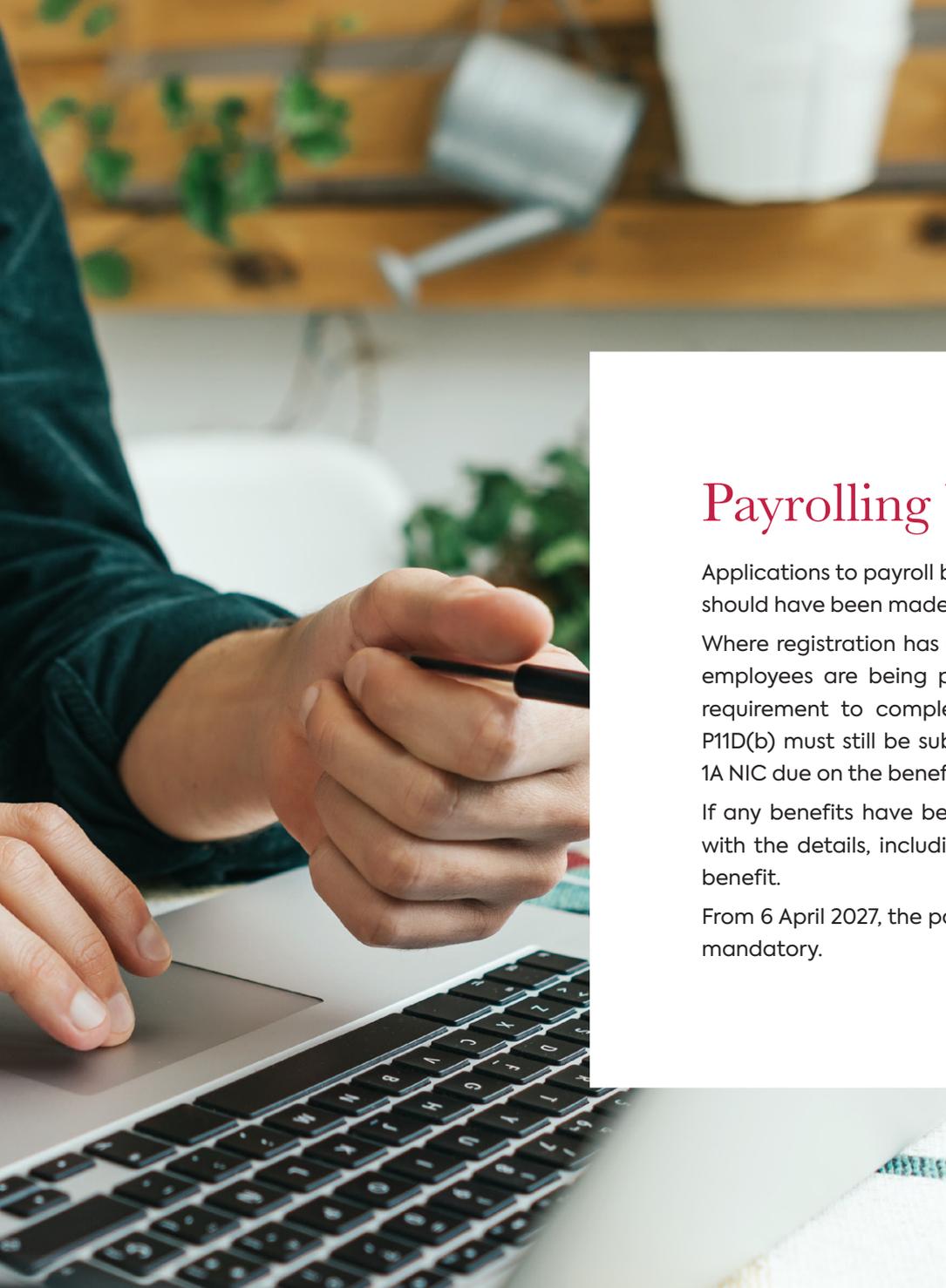
The company is able to provide employees up to £6 per week to help them cover additional expenses incurred whilst working from home. Such expenses would need to be incurred wholly and exclusively for work purposes e.g. business phone calls or additional electricity requirements for the work area. No relief can be claimed for expenses which have both private and business use.

Amounts greater than £6 per week can also be provided as long as the additional expenditure is necessary. HMRC may challenge excess amounts and so evidence of the additional expenditure should be kept as proof.

Importantly, please be aware that relief can only be claimed by the employee if they have no choice but to work from home.

Where payments have been made but no relief is applicable, the allowance will be taxable and will be subject to PAYE and Class 1 National Insurance through payroll.

If the company is providing an allowance to any employee, please provide us with the relevant details.



Payrolling benefits

Applications to payroll benefits for the 2025/26 tax year should have been made by 6 April 2025.

Where registration has occurred and all benefits for all employees are being payrolled, the company has no requirement to complete forms P11D. However, form P11D(b) must still be submitted to summarise the Class 1A NIC due on the benefits which have been payrolled.

If any benefits have been payrolled, please provide us with the details, including the nature and value of the benefit.

From 6 April 2027, the payrolling of benefits will become mandatory.

Optional remuneration arrangements ‘Salary Sacrifice’

Optional Remuneration Arrangements occur when an employee gives up the right to receive salary in return for a benefit, or where an employee chooses to receive a benefit rather than an amount of salary.

Where this occurs, the benefit that arises is the higher of:

1. the cash amount that the employee would have received; and
2. the benefit amount determined under the usual rules (although any employee contributions are added back).

There are certain exempt benefits, most common of which is pension provision.

Please contact us if any employee has been involved in an Optional Remuneration Arrangement.

Our experts

To have a confidential discussion regarding the above, please reach out to our experts.



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