



## Focus on

# P11D dispensations

You may be able to cut down your paperwork by applying for a P11D dispensation from HM Revenue & Customs (HMRC).

### What is a dispensation?

A dispensation, which covers both tax and National Insurance Contributions, is a notice that means you do not need to put any expenses and benefits included in the dispensation on forms P11D/P9D and employees do not need to put them on their tax returns.

A dispensation can be given for expenses or benefits where HMRC are satisfied that your employees would not have to pay tax on expenses you pay or on benefits you provide. Expense claims must be independently vouched within the company and where possible, supported by receipts.

### Expenses or benefits covered by a dispensation

Dispensations can include the following:

- Travel & subsistence
- Company credit cards
- Home telephone expenses
- Entertainment
- Professional fees & subscriptions
- Pre-agreed scale rate allowances.

However, the following cannot be included:

- Private medical insurance
- Company cars and vans
- Cheap loans
- Mileage payments.

### Dispensation review

If a dispensation is in force, HMRC will review the notice approximately every 5 years. Providing the qualifying conditions are still satisfied the dispensation will remain in force.

### Further information

Alternatively, if you already have a dispensation, please be aware that it may soon be reviewed by HMRC. It is recommended that you review the contents of your dispensation annually to ensure the qualifying conditions remain satisfied. If you require our assistance with this, please contact a member of our tax team.

### Contact

If you would like to apply for a dispensation, please contact a member of your local office.

[www.macintyreHUDSON.co.uk](http://www.macintyreHUDSON.co.uk)

Bedford Tel: 01234 268 761	London North Tel: 020 8446 0922
Chelmsford Tel: 01245 353 177	Milton Keynes Tel: 01908 662 255
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