

Payments in kind - assets transferred

Contacts

Please phone:

- the number printed on page TR 1 of your tax return
- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to

www.hmrc.gov.uk

This helpsheet tells you when to use a figure which is higher than the second-hand value (that is, the market value at the date of transfer to you) in completing box 13 ('Goods and other assets provided by your employer') on the *Employment* page of your tax return and what figure you should then put in that box if:

- you were a director, or your earnings from your employment were at the rate of £8,500 or more a year, and
- you (or a member of your family or household) bought, or were given, an asset by reason of your employment.

If you were given shares or options by reason of your employment, ask the SA Orderline for the *Additional information notes* (which include notes on share schemes).

For the purposes of this helpsheet assets are divided into two groups.

Group 1

Assets which have not been used or have not fallen in value since acquisition or production by the transferor. To decide whether an asset has fallen in value, you must compare its market value at the time of transfer to you with its market value immediately after the transferor acquired or purchased it, **not** with its cost to the transferor.

Group 2

Assets (other than cars, vans, cycles and living accommodation) which have previously been provided as benefits (whether to you, or to some other director or employee).

If the asset was in group 1 above, enter the cost to the transferor **minus** what you paid for it, in box 13. But if the second-hand value is higher, then use that higher amount instead, **minus** any amount that you had to pay for the asset.

If the asset was in group 2 above, and it was first provided **before** 6 April 1980, enter the second-hand value (that is, the market value at the date of transfer to you) **minus** what you paid for it, in box 13.

If the asset was in group 2 above, and it was first provided **on or after** 6 April 1980, use the Working Sheet overleaf to work out the figure to enter in box 13, unless the asset was a bicycle, car, van or living accommodation. For any of these, enter the second-hand value (that is, the market value at the date of transfer to you) of the asset **minus** what you paid for it, in box 13.

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Working Sheet

Market value of the asset when first provided as a benefit

1 £

Total amount charged to tax (on you or anyone else) since first provided

2 £

Difference *box 1 minus box 2*

3 £

Second-hand value of the asset (market value at date of transfer)

4 £

The larger of box 3 and box 4

5 £

The amount you paid for the asset

6 £

Difference *box 5 minus box 6*

7 £

Enter this figure in box 13 on the *Employment* page

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal. Any subsequent amendments to these notes can be found at **www.hmrc.gov.uk**