

Vouchers, credit cards and tokens

i **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 gives you information to help you fill in box 12 on the *Employment* page of your tax return.

Box numbers in this sheet refer to boxes in your *Employment* page.

This helpsheet tells you about vouchers and credit cards provided to you by your employer, or by some other person because of your employment. If your employer pays bills from your personal credit card include the amount paid in box 13.

What are vouchers?

Vouchers are items, including tickets, stamps, passes and other documents, you are able to exchange for money, goods or services or use for travel, including, for example:

- gift vouchers
- vouchers or stamps for money
- season tickets.

What are credit cards and tokens?

Credit cards and tokens include:

- cards issued by credit card companies
- charge cards
- retailers' account cards
- tokens used to get goods from machines

and any other card, token, document or item you can use to get money, goods or services, either on credit or by someone else settling the account. In the rest of this helpsheet all types of credit cards and tokens are called credit cards.

How are vouchers and credit cards taxed?

You pay tax on the value of vouchers and credit cards. But there are exceptions and we explain these overleaf. The rules for working out that value depend on what sort of voucher or credit card you get.

Cash vouchers

A voucher you can exchange for a sum of money greater than, equal to, or not substantially less than it cost the person who provided it, is called a cash voucher. You pay tax on the money you got or could have got in exchange for the voucher.

You should have paid tax under Pay As You Earn (PAYE) on any cash vouchers. So the P60 or P45 figures that you have entered in boxes 1 and 2 should include the value of cash vouchers and the tax deducted. If so, do not enter them again in box 12.

Other vouchers

For any other voucher, you pay tax on the expense incurred by the person who provided it. This expense may have been on the voucher itself, or on the money, goods or services for which you could exchange or use it, or both. You should include the total of the expense in the year to 5 April 2013.

Example 1

Your employer pays £300 for a ticket to Paris for you and your partner and gives you vouchers for a hotel and meals. Your employer tells you he paid £200 to the hotel for your room and meals. You should include £500 in box 12.

Example 2

Your employer gives you two tickets for a concert with a face value of £25 each. Your employer actually paid £20 each. You should include £40 in box 12.

Credit cards

You pay tax on the expense of providing any money, goods or services you get by using a credit card. You do not pay tax on any annual subscription for the card itself or any interest charged by the credit card company which your employer pays.

Example 3

Your employer gives you a company credit card. You use it to get meals and accommodation. Your employer pays £1,500 for the meals and accommodation plus £50 interest, and £12 annual subscription. You should include £1,500 in box 12.

Payments you make

Any payments you make to your employer (or whoever provided the voucher or credit card) for the voucher or use of the card reduce pound for pound the amount you pay tax on. The figure your employer has given you should be the net amount.

Example 4

| | |
|--|------|
| Cost to employer of tickets and hotel vouchers | £500 |
| Employee pays employer for tickets | £300 |
| Net amount to include in box 12 | £200 |

Business expenses

You may be entitled to a deduction if you used a voucher or credit card to pay for:

- expenses incurred in performing the duties of your job, or
- expenses of travelling to a temporary workplace you have to attend to perform your duties, or
- an allowable professional fee or subscription.

The *Employment notes* (for boxes 17 to 20, Employment expenses) tell you when a deduction is due. Enter the total value (before any deduction) in box 12 and claim the deduction for allowable expenses in boxes 17 to 20.

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Figure to enter in box 12

Add up the taxable amounts (before making any allowable deductions for expenses, fees and subscriptions) for all the vouchers and credit card purchases you received and enter the total in box 12.

Example 5

| | |
|---|--------|
| Cost to employer of non-transferable meal vouchers (for 200 days) | £400 |
| Minus 15p per day | £30 |
| | £370 |
| Other vouchers | £500 |
| Minus the amount paid by you to your employer | £300 |
| | £200 |
| Goods and services obtained by credit card provided by employer* | £1,000 |
| Total to enter in box 12 | £1,570 |

*£450 was for allowable business expenses. The deduction for these should be claimed in boxes 17 to 20.

Vouchers and credit cards you do not have to include in your tax return

Qualifying childcare vouchers up to the appropriate amount for a week are not taxed. If you receive more than the appropriate amount for a week in childcare vouchers, the excess over the appropriate amount is taxable and you should include it on your tax return. If your employer has given you childcare vouchers with a value greater than the appropriate amount, your employer will enter only the taxable amount on your P11D. Read the notes on box 12 in your *Employment notes*. For more information on qualifying childcare vouchers, including how the appropriate amount is calculated, go to www.hmrc.gov.uk

Meal vouchers which are non-transferable are taxable only to the extent that their value exceeds 15p for each working day for which they are issued.

Do not include vouchers or credit cards if your employer has a dispensation for them. Your employer will not enter them on your P11D. Read the notes on boxes 17 to 20 in your *Employment notes*.

Some vouchers and certain credit cards are not taxable. You should exclude from the total any vouchers and use of a credit card for:

- car fuel for a company car where you pay tax on the fuel scale charge.
However, you must include in box 12 the cost of fuel bought by credit card or voucher for any other car, such as your own car
- fuel for a company van
- any other goods or services in connection with a car on which a car benefit charge arises (see the notes on box 9 in your *Employment notes*)
- a car or motorcycle parking space or facilities for parking bicycles at or near your place of work
- some entertainment or hospitality. This is exempt only if
 - the voucher or credit card was not provided by your employer (or someone connected with them), and
 - your employer (or someone connected) did not procure the entertainment for you, and
 - it was not a reward for services performed or to be performed by you

- a small gift by a third party (less than £250 in total in the year) or for an annual Christmas or other party costing less than £150 a head
- free or subsidised canteen meals on a reasonable scale provided by your employer to staff generally
- call time credit for mobile phone that is itself exempt from charge to Income Tax and National Insurance contributions (NICs)
- travel under arrangements which have existed since 25 March 1982 and which are for travel on passenger transport services run by your employer. Some other travel vouchers are not taxable (for instance, if you work for a company that runs passenger transport services and you get a pass to travel on another company's buses or trains under reciprocal arrangements). Ask us or your tax adviser if you are in doubt. You may still have to pay tax on the benefit in kind of the travel if you earn £8,500 or more a year
- travel between home and work on a work's bus provided that
 - the bus has a seating capacity of nine or more, and
 - the bus service is available to all employees, and
 - substantially the whole use of the service is by employees (and their children)
- use of a bicycle and/or cyclist's safety equipment lent to you provided that
 - such bicycles and equipment are available generally to employees of your employer, and
 - your main use of the bicycle or equipment is for journeys between home and work or between workplaces.

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