

# **Putting benefits in kind and expense payments through the payroll and removing the £8500 threshold.**

The above consultation ended on 17 March. HM Revenue & Customs (HMRC) is grateful to those who have taken the time to respond and are also grateful to those employers and organisations who took the time to meet with us.

HMRC believes that there has been a constructive dialogue on the subject of payrolling. Over the next few months we will be considering the responses received in detail and will provide a further update at the Pre Budget Report.

Although the consultation predominantly focused on the administrative benefits of putting benefits in kind and expense payments through the payroll, HMRC also sought views on the impact of the £8,500 threshold, above which tax is payable on benefits in kind.

The responses to the consultation indicate that the removal of the £8,500 threshold, would have an adverse impact on low paid employees and possibly the voluntary sector. The Government has therefore confirmed that it will retain the £8,500 threshold.