



EMPLOYER PROVIDED VANS

Who is likely to be affected?

1. Employees provided with a van that is available for their private use and employers who bear Class 1A National Insurance on the taxable benefit of a provided van.

General description of the measure

2. The Government is announcing a forthcoming consultation on proposals to reform the tax treatment of employer provided vans.

Operative date

3. Not applicable.

Current law and proposed revisions

4. The tax charge for the private use of an employer provided van has been in place since 1993. A flat rate charge of £500, or £350 for vans that are 4 or more years old, is applied where an employee has the exclusive use of a van. This includes any private fuel provided. Where vans are shared by two or more employees the charge is divided between all participating employees. If more than one shared van is available there is generally a maximum charge of £500 per employee but there is no restriction if an employee has a mixture of shared and exclusive vans. Employees can opt for a daily charge of £5 instead of the flat rate charge.

5. The Government will be consulting on proposals to reform the tax treatment of employer provided vans, to take into account environmental benefits, fairness and modern working practices.

Further advice

6. If you have any questions about this change, please contact the Public enquiry Unit on 020 7438 6420 to 6425.

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