

## **BENEFITS-IN-KIND (P11D) RETURNS**

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your P11D affairs and to clarify our respective responsibilities in respect of that work.

### **1 Your responsibilities**

1.1 You are legally responsible for:

- (a) ensuring that your declaration on form P11D(b) is true to the best of your knowledge and belief and therefore that the entries on the related forms P11D and, if relevant, amounts of benefits-in-kind and expenses in the payroll, are correct and complete;
- (b) filing any returns by the due date after the end of the tax year; and
- (c) making payment of Class 1A NIC on time.

Failure to do any of the above may lead to penalties and/or interest.

If you registered online for payroll of benefits before the tax year, you do not have to include payrolled benefits on the P11D.

1.2 Legal responsibility for approval of this return cannot be delegated to others. You agree to check that the forms that we have prepared for you are correct and complete before approving them.

You are no less responsible for errors in unapproved returns submitted on the basis of the information provided to and processed by us than if you had confirmed your approval of the returns.

1.3 To enable us to carry out our work, you agree:

- (a) that all returns are to be made on the basis of full disclosure;
- (b) to provide full information necessary for dealing with your benefits-in-kind; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to notify us by the agreed date after the end of the tax year (see **Key Facts**) of all transactions or events which may need to be reflected in the forms P11D for the period, including details of all employees during the year and details of their remuneration packages;
- (d) to authorise us to approach such third parties as may be appropriate that we consider necessary to deal with completing the benefits-in-kind returns; and
- (e) to approve the returns as soon as possible so they can be submitted on or before the filing deadline of 6 July after the end of the tax year.

If we do not hear from you by the above deadline, subject to any other agreement between us, we will take your silence as your approval for us to submit the returns.

1.4 If the information required to complete the benefits-in-kind returns set out above is received later than the date specified in **Key Facts**, we will still endeavour to process the information onto the relevant P11D returns to meet the submission date but we will not be liable for any costs or other losses arising if submission is late. In such circumstances, we may charge an additional fee.

1.5 You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us when form 64-8 has been submitted, it is essential that

you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in most cases, will not do so.

## **2 Our responsibilities as accountants**

2.1 We will carry out the following in respect of forms P11D and P11D(b):

- (a) We will prepare/review forms P11D as may be required for each employee including directors, from the financial statements, information and explanations provided to us on your behalf.
- (b) We will prepare/review forms P11D(b) to include, if relevant, the Class 1A NIC on benefits-in-kind and expenses, both on forms P11D and included in the payroll;
- (c) We will submit the forms P11D for any benefits/employees for whom benefits are provided but not payrolled, with the form P11D(b) after the form P11D(b) has been signed by you.
- (d) We will prepare and send to you the P11D information for you to forward to your employees and directors by the statutory due date of 6 July following the end of the tax year.
- (e) We will calculate your Class 1A NIC liability on the benefits and expenses, both returned in forms P11D and included in payroll, that you are obliged to pay HMRC by the due date, and send payment instructions to you to action payment.

2.2 The scope of our services provided to you will be only as set out above and all other service which we may offer are excluded. If you instruct us to do so, we will provide such other taxation ad hoc and advisory services in relation to P11D benefits as may be agreed from time to time. These may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:

- dealing with any compliance check or enquiry by HMRC into the benefits-in-kind returns submitted;
- preparing any amended returns which may be required and corresponding with HMRC as necessary;
- advising on PAYE settlement arrangements and/or approved expenses scale rates; and
- conducting PAYE and benefits and expenses health checks.

2.3 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.