



HOW TO GET FREE LATE NIGHT TAXIS FOR EMPLOYEES?

If an employee is provided with a taxi from work to home paid for by their employer this is a benefit in kind for the employee because it is a private journey. However in certain circumstances no benefit arises.

Care needs to be taken to ensure that all the following specific conditions are met:

- the employee is required to work later than usual and until at least 9pm
- this occurs irregularly
- by the time the employee ceases to work either public transport has ceased or it would not be reasonable to expect the employee to use public transport
- the transport is by taxi or similar road transport

‘Required to work later than usual’

This condition implies that there is a normal working pattern.

This is meant to apply to an employee who normally finishes work before 9pm but is required to work later than usual and at least until 9pm.

An example of a job which would normally qualify for the exemption is a secretary whose usual hours are 9am to 5pm every day, but on occasion is required to work late and at least until 9pm.

Alternatively a restaurant-worker who is provided with a taxi ride home after work, may not qualify if their usual work pattern is to work beyond 9pm.

‘Irregular’

In order to be irregular the working pattern would not follow the usual or established custom. So if an employee is required to work late every Friday and is provided with a taxi home this will not be irregular and will not be exempt.

Similarly if the employee’s contract required them to work late once a week this is not exempt – even if the day of the week changes.

‘Not reasonable to expect employee to use Public Transport’

The legislation does not give examples of what would be considered ‘not reasonable’. HM Revenue and Customs will not accept that ‘not reasonable’ applies where the employee:

- travels home from work in the dark
- is tired after a long working day
- has a heavy briefcase etc
- travels to a station that is unmanned



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HMRC do not believe it 'not reasonable' if the frequency of public transport is reduced (e.g. where a bus company provides a reduced service at night). Although they do accept (depends on the facts) that the exemption applies if this is combined with the journey taking significantly longer or the employee having greater concern over their personal safety.

Actions

This exemption can be valuable in the right circumstances but the conditions need to be read thoroughly.

If the exemption is claimed sufficient documentation should be produced to support the claim.

If you would like to know more about making a claim for tax free late night taxis, please contact Mark Sheen at mrcs@barlow-andrews.co.uk or Tim Lwin at tl@barlow-andrews.co.uk.