

Payrolling benefits from April 2027

Client checklist for every client with a company car, van, fuel or medical benefit.

Client _____

Prepared by _____

Date _____

1 Is this client affected?

- ☐ Provides one or more company cars
- ☐ Provides car fuel for private use
- ☐ Provides one or more vans, or van fuel
- ☐ Provides private medical or other employer-funded medical benefits
- ☐ Provides other benefits that could be payrolled voluntarily from 2027/28

2 Data to collect before April 2027

EACH CAR

- ☐ Employee name
- ☐ List price, including accessories
- ☐ CO2 emissions and fuel type
- ☐ Date first available, and any end date
- ☐ Whether fuel is provided for private use
- ☐ Employee capital contributions or payments for private use

EACH VAN

- ☐ Employee name
- ☐ Dates available
- ☐ Whether fuel is provided for private use

MEDICAL BENEFITS

- ☐ Provider and policy
- ☐ Annual premium per employee
- ☐ Renewal date
- ☐ Who is covered

3 Cash flow

- ☐ Estimate 2026/27 Class 1A due by 22 July 2027
- ☐ Estimate monthly real-time Class 1A from April 2027
- ☐ Warn the client about the overlap between April and July 2027, when both are being paid

4 Client and employees

- ☐ Explain to the client that tax on benefits will appear on payslips each period
- ☐ Agree whether the client will brief employees, or you will
- ☐ Agree who tells you about changes (new cars, cars returned, premium changes, joiners and leavers), and by when
- ☐ Find out where benefit data is held, who owns it, and what format it reaches you in
- ☐ For clients already payrolling benefits voluntarily, check tax codes no longer include those benefits
- ☐ Send the client the employee note below to issue in March 2027

5 Voluntary payrolling

- ☐ Decide whether to payroll any other benefits from 2027/28
- ☐ If yes, register with HMRC by 5 April 2027

6 Your practice

- ☐ Confirm your payroll software calculates the benefit and Class 1A each period
- ☐ Test on one real client before April
- ☐ Decide how the new monthly benefit work is priced, and tell the client in writing

7 Template note for employees

For the client to send to employees with a company car, van, fuel or medical benefit.

Changes to how tax on your benefits is collected from April 2027

From 6 April 2027, HMRC requires tax on **company cars / vans / fuel / medical cover** to be collected through payroll rather than through your tax code.

From your **April** payslip, you will see the value of your benefit shown on your payslip and the tax on it deducted each pay period. Your tax code should change at the same time, as HMRC removes the benefit from it.

For most people the total tax paid over the year stays broadly the same. What changes is where it appears: on your payslip each period, rather than as a lower tax code.

If your tax code still seems to include your benefit after April, or you have any questions, please contact **name** at **email**.