

15/09/21 – Driving your own car for work?

If you drive your own car for work, your employer should re-imburse you a rate per mile driven for business use.

HMRC maximum rates are as follows, but not all employers pay these rates:

	Up to 10,000 miles per year	Over 10,000 miles per year
Car and Vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Passenger payments - cars and vans

5p per passenger per business mile for carrying fellow employees in a car or van on journeys which are also work journeys for them. Only payments specifically for carrying passengers count and there is no relief if you receive less than 5p or nothing at all.

Please note the following points:

- Travel from home to normal place of work is not included, these journeys are deemed as private travel
- Any amounts paid in excess of these rates are deemed a benefit, and will be subject to tax and NIC
- If your employer pays you less than these rates, you will be able to claim Mileage Allowance Relief (MAR) on the unused balance of the approved amount. For example, if your employer pays you 30p per mile for 8000 business miles in a year. You can claim tax relief on the excess (15p x 8000 miles)
- You must keep accurate records of your business journeys (it is possible to use an app) to ensure that your claims are legitimate and accurate
- Before you start to use your vehicle for business use, you should contact your insurer and ensure that your motor insurance covers you for business journeys

Further information

Follow this link to find out more information

[Expenses and benefits: business travel mileage for employees' own vehicles: Rules for tax - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/expenses-and-benefits-business-travel-mileage-for-employees-own-vehicles-rules-for-tax)

Follow this link to claim tax relief on any business mile paid at less than the HMRC approved rates above:

[Claim tax relief for your job expenses: Vehicles you use for work - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/claim-tax-relief-for-your-job-expenses-vehicles-you-use-for-work)