



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Justine Riccomini
ICAS

16 April 2024

Dear Justine,

Thank you for your email of 21 March, about mandating the payrolling of benefits in kind (BiKs).

I am grateful to the Employment and Payroll Group (EPG) for their continued support in the delivery of changes to the tax system. Your engagement and critical-friend role on the day-to-day operation of, and future enhancements to, the UK personal tax system is highly valued.

Since our announcement on 16 January about our plans to mandate the payrolling of BiKs, HMRC officials have engaged intensively with stakeholders to gather feedback and refine policy proposals. I understand you and your EPG colleagues have made a significant contribution to these discussions, and I appreciate the time you have taken to do so.

I recognise the importance of your expertise and forward thinking in ensuring such changes are delivered successfully. I understand employers and third parties will need to make significant preparations across many areas, such as providing staff with sufficient training and ensuring systems are developed and ready to commence reporting ahead of time, to make these changes feasible.

The points you raise in your letter will be carefully considered alongside other feedback. HMRC officials will schedule further meetings with external stakeholders ahead of summer recess to discuss revisions to the current proposals. The Government remains committed to simplifying the tax system, and will review your feedback about possible changes to the underlying BiKs legislation as it considers further options.

I can assure you that officials will continue to engage closely with EPG and other relevant stakeholder groups over the coming months to ensure the policy design works effectively for all parties impacted by this measure. I appreciate the time you have taken to set out your concerns on behalf of EPG and for working alongside HMRC colleagues during this initial phase of informal consultation.

Unfortunately, due to diary constraints, I am not able to meet with you at this time, but HMRC and HM Treasury policy officials will be able to meet with you on my behalf.

Thank you again for taking the time to make me aware of your concerns.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nigel Huddleston', with a stylized flourish at the end.

Nigel Huddleston MP
FINANCIAL SECRETARY TO THE TREASURY