JW HINKS
CHARTERED ACCOUNTANTS



MANDATORY PAYROLLING OF BENEFITS:

7 Checks Every Employer Should Make Before April 2027

From 6 April 2027, certain Benefits in Kind will have to be reported through payroll in real time, rather than solely through the annual P11D process. This shift – starting with company cars, car fuel, vans, van fuel and employer-provided medical benefits – marks a significant change in how employers capture, share and process benefit information. With the rules being introduced in phases, now is the moment to make sure your processes, people and systems are ready.

01 What benefits do you provide?

Consider the Benefits in Kind currently provided to employees and directors – especially those moving into payroll first. Make sure you have an accurate record of who receives each benefit.

02 Who holds the information?

Benefit details may currently sit across HR, finance, directors or other members of the team. Make sure it is clear who is responsible for passing benefit information to payroll.

03 How quickly are changes communicated?

Real-time reporting only works when payroll receives benefit updates straight away. Make sure any new, changed or ended benefits – such as cars or medical cover -can be communicated to payroll immediately.

04 What happens when someone joins or leaves?

Employees and directors joining or leaving during the year can affect benefit calculations and reporting. Make sure any changes to employees and their benefits are passed to payroll as soon as they happen.

05 Is your payroll process ready?

Whether your payroll is managed internally or externally, systems must support payrolling Benefits in Kind. Speak to the person or provider responsible for your payroll about the changes coming in April 2027.

06 Will you need to run two reporting processes?

From April 2027, some benefits will move into payroll while others may still require the annual P11D process. Make sure you know which benefits will shift first and which will continue to be reported annually.

07 Who will oversee the transition?

It will be important to make sure those responsible for payroll, employee benefits and other relevant information understand what is changing and how information will be shared. Make sure someone is clearly accountable for coordinating the changes and ensuring the right information reaches payroll at the right time.

How JW Hinks can help

Already use JW Hinks for payroll?

We will guide you through the changes and let you know what information we need – and when.

Use JW Hinks for P11DS but manage your payroll elsewhere?

With certain Benefits in Kind moving into payroll, now is a good time to check your current payroll setup is ready. Bringing payroll and benefits reporting together can help streamline information flow and reduce the risk of errors as the new requirements are introduced.

Would you like to talk it through?

If you have any questions about the changes or would like to discuss your current payroll arrangements, please speak to our Payroll team.

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