

April 2008

Motor Vehicle Allowance

Guidance for GP Specialty Registrars



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The Schedules to Direction to Strategic Health Authorities concerning GP Registrars (2003) were amended 31 July 2007 to alter the provision for reimbursement for the business use of a private vehicle for GP Specialty Registrars (GPStR) in England. The full Schedule to the Direction is available on the NHSE website: www.nhsemployers.org/pay-conditions/pay-conditions-469.cfm

This guidance covers arrangements for payment of the new Motor Vehicle Allowance in England only. Pending amendment to the relevant statutory legislation, GPStRs in Scotland and Wales should still be receiving the previous allowance.

We are aware, and remain deeply concerned, that GPStRs in Northern Ireland are at present not receiving either the old or the new allowance for reimbursement for the business use of their vehicles. Discussions in relation to this are ongoing between the BMA and the Northern Ireland Medical Training Agency (NIMTA), and we will continue to push for resolution to this issue.

1. Old Allowance

Under the amendments made to the Directions in England with effect from 1 August 2007, those GPStRs with **existing arrangements** for payment of the old allowance prior to 1 August 2007 should continue to receive this for the remainder of their general practice placement.

It should be noted that this does **not** mean that those GPStRs who have previously undertaken a placement in general practice under the old arrangements, or who have a contract signed prior to 1 August 2007, will receive the old allowance.

All trainees starting placements in general practice on or after 1 August 2007 will be subject to the new arrangements; and will receive the motor vehicle allowance under the new rates, regardless of when their contract was signed.

2. New Allowance

There are now two separate provisions contained within the Direction. Paragraphs 1a) to c) cover the old allowance and with effect from 1 August 2007 are now applicable in the circumstances that a practice has provided a vehicle to the GPStR for their use in executing their duties for the practice. This is a direct reimbursement to the practice for this cost.

Paragraphs 1d) to k) cover circumstances where a GPStR uses their own private vehicle for the business purposes of the practice, and provides reimbursement to the GPStR for that usage. There are two rates within these paragraphs, the regular and standard user. These new provisions are based very firmly on the travel provisions in the NHS Staff Handbook, from which the rates have been drawn, with minor adjustments to take account of issues in the Hospital Medical and Dental Staff (England and Wales) terms and conditions of service, such as clarification around payment of the lump sum under paragraph (g) of the Directions.

Regular User allowance

This is a lump sum and mileage allowance applicable to those GPStRs who are required by the practice to travel on practice business and in so doing, either:

- (i) travels an average of more than 3,500 miles a year, or
- (ii) travels an average of at least 1,250 miles a year, and
 - (1) necessarily use their vehicle an average of at least three days a week, or
 - (2) spends an average of at least 50 per cent of their time on such travel including the duties performed during the visits, or
- (iii) travels an average of at least 1000 miles a year and spends an average of at least four days a week on such travel including the duties performed during the visits,

Regular user rates:¹

Engine capacity	Up to 1000cc	1001 – 1500cc	Over 1500cc
Annual Lump sum	£508	£626	£760
Up to 9,000 miles	27.0p	33.5p	40.0p
Thereafter	16.2p	18.3p	20.5p

Standard User allowance

If a GPStR does not fulfil the requirements of the regular user allowance, they will be on the standard user allowance.

Standard user rates:

Engine capacity	Up to 1000cc	1001 – 1500cc	Over 1500cc
Up to 3,500 miles	34.0p	43.0p	53.0p
Thereafter	16.2p	18.3p	20.5p

Which rate?

During the initial phases of implementation of this allowance, many GPStRs may find that they are placed on the standard user rate. The Direction requires that GPStRs are able to demonstrate with past evidence that they fulfil the criteria for the Regular User allowance. Once these initial phases of placements within practices are complete under the new arrangements, it will be easier for practices and deaneries to establish the appropriate rate as trainees enter placements and rates are established on an historical basis.

¹ Regular and Standard user rates as from 1 August 2007

3. Mileage claims

Home to base (practice) mileage

GPStRs usual 'base' will be their place of work, i.e., the trainer's practice.

GPStRs who are undertaking an Integrated Training Post (ITP) and therefore work part of their time in a general practice, and part of their time at a hospital, will have a nominated 'base', if their contract is held by the practice, then the usual provisions will apply under the Directions, if their contract is held by the hospital trust, then the hospital doctors' terms and conditions will be applicable, and no payment or reimbursement will be due by the practice under the Directions.

GPStRs cannot claim home to base travel, unless they subsequently use their car on an official journey that same day. If a GPStR subsequently uses their car on an official journey that day, they can claim for the business mileage, plus their home to base return subject to a maximum of 10 miles each way.

'Official' journey includes home visits, or any journey undertaken in relation to work on behalf of the employing practice.

Official journeys beginning and ending at home

GPStRs who begin an official journey at home may claim mileage for the whole distance covered subject to a maximum based on the mileage return journey between the practice base to the place visited, plus the home to base mileage up to a maximum of ten miles each way.

Other journeys

If a GPStR uses their car to travel to their out-of-hours (OOHs) placement, or an educational course, or for half day release, that is not being held at their normal practice base, then it is generally considered that only the excess miles travelled can be claimed, unless the GPStR subsequently uses their car for an official journey that day.

For example:

Usual home to base mileage = 10 miles

Home to place of OOHs/course = 12 miles

Additional miles travelled = 2 miles

Mileage claim allowed = 2 miles

However, it should be noted that deanery interpretation may differ in relation to this, and GPStRs and practices are advised to seek clarity from their deanery as to exactly what can be claimed and reimbursed.

The BMA does not provide financial/tax advice and thereby cannot accept liability for any loss or damage arising from the use of the following information. You are strongly advised to obtain independent legal/financial advice.

Where the mileage amount calculated at HMRC rates exceeds the amount actually paid under these provisions, tax relief can be claimed on the excess. This is more likely to occur for GPStRs on the Standard Rate with a small engine cars (up to 1000cc) claiming significant amounts of business mileage. In these circumstances, employers are required to report the mileage allowances paid, and the GPStR receiving such payments are advised to submit their own claim for the allowable amount calculated at the HMRC statutory 40p and 25p rates.

It should be noted that the definition of business mileage for tax purposes is not in all circumstances the same as that for making claims for mileage under these provisions. **Normal home to work travel is not normally regarded as business mileage for tax purposes.** For example, mileage for home to base travel where there is a subsequent business or 'official' journey that day gives rise to a potential mileage claim under these provisions, but would not be allowable for tax purposes.

However, conversely, the whole of a journey from home direct to a workplace other than the nominated base **is** allowable for tax purposes, without the limitation contained in the mileage payment rules relating to the definition of an 'official' journey. For example, journeys to an educational course as part of training direct from home would be allowable for tax purposes, but would not give rise to a mileage claim.

4. Record keeping

All GPStRs claiming mileage at any rate should keep accurate records of their mileage for tax purposes. GPStRs are also advised to keep copies of all motoring related receipts.

All records should be verified by the GP trainer and kept on file for audit purposes, many deaneries have provided their trainees with standard mileage log sheets for this purpose.

GPStRs will not have to pay any tax or NI contributions on payments made for business travel provided that these do not exceed more than 40p per mile for the first 10,000 miles and 25p thereafter.

It should also be noted that GPStRs who are claiming excess daily travelling expenses under paragraph 15 of the Directions, should keep separate records for business mileage and that claimed for excess travel on removal as it is possible that such claims may fail to qualify under the usual business mileage provisions for tax through being classed as home to work travel, and may be allowable under the removal benefits provisions, and payable at a different rate. GPStRs affected in this way should contact their Finance/Personnel PCT office or deanery for further help and information.

These records can also be used for the purposes of establishing the appropriate rate, along with the practice records, as outlined above.

5. Insurance

GPStRs who use their own car for business purposes, should ensure that their car is insured appropriately for business use.

6. Carriage of official passengers

GPStRs carrying passengers on practice business who are employees of, or partners in, the GP trainer's practice, and where their fares, if they travelled by public transport would normally be payable by the practice, may claim a passenger allowance at the rate of 2p per mile.

7. Car out of use

Maternity

If GPStR is classed as a Regular User, and is therefore in receipt of the Regular User lump sum when commencing maternity leave, then, under the Directions, payment of the lump sum should continue for the remainder of the month in which maternity leave commences, and for an additional three months after this, whereupon payment reduces to 50% of the lump sum for a further three months, or until the end of the maternity leave, whichever is less.

If a GPStR does not intend to return to work after maternity leave, then payment of the Regular user lump sum is limited to the period of paid maternity leave under paragraph 46 (h) of the Directions, defined as the equivalent of 6 weeks at 9/10ths of the full lump sum.

Sickness

Payment of the Regular User lump sum continues for the remainder of the month in which the car is out of use, and continues for a further three months, whereupon payment reduces to 50% for a further three months. If a GPStR's vehicle is out of use for six months or longer there are no further payments to be made.

Breakdown

We would suggest that where a GPStR is unable to use their car due to breakdown of the vehicle, that arrangements for the payment of the Regular User lump sum should mirror those provided under the Direction for sickness leave, however, there is no provision within the current Direction for this, and GPStRs and practices are strongly advised to seek clarification from their Deanery as to exactly what is payable, including any expenses incurred in travelling for all classes of user during vehicle repairs.

8. Garage and parking expenses, tolls and ferries

There currently exists no specific provision in the current Directions for the reimbursement of garage and parking expenses, tolls and ferries, however, we would advise that if incurred in the course of business use that these costs are reimbursed accordingly and GPStRs and practices should clarify with their deaneries if these will be reimbursable under local arrangements.

9. Further advice and guidance

For further advice, members of the BMA should contact askBMA in the first instance, email: askBMA@bma.org.uk or telephone 0870 60 60 828