

Lorry driver overnight subsistence allowance

Briefing note

A change introduced by HMRC, from 6 April 2017, with regard to the lorry driver overnight subsistence allowance (for more detail see HMRC Employment Income Manual document EIM66130) requires the operator to apply for an approval notice to continue being able to pay the driver this subsistence. The application also requires the operator to indicate the presence of a checking system that the operator uses on a random basis to ensure the expenses being claimed are compliant with the level of subsistence allowed for a driver.

The approval notice is required for operators using the Industry Scale Rate for subsistence, currently up to a maximum of £34.90 per night or up to a maximum of £26.20 per night for drivers in a vehicle with a sleeper cab. Any operator who wishes to pay in excess of these amounts on a regular basis will have to apply for a Bespoke Scale Rate Agreement that would be specific to their requirements. This would also require the confirmation of a checking system being in place.

Both the Bespoke Scale Rate Agreement and Industry Scale Rate Approval Notice may be applied for using a form obtained online [here](https://www.tax.service.gov.uk/print-and-post/form/PersonalTax_iForms/1.0/BIK/bik.xdp).

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The approval notices last for up to five years.

Checking systems

The employer should undertake a random 10% check of all employees' expense claims over a one-month period on a six-monthly basis. These checks would reference driver work schedules and time sheets to demonstrate that drivers were away from base in the performance of their duties on the days payments were made. A further check on driver receipts should be carried out to ensure costs had been incurred.

Further details of the checking model is available from the HMRC document EIM30275, available [here](#).

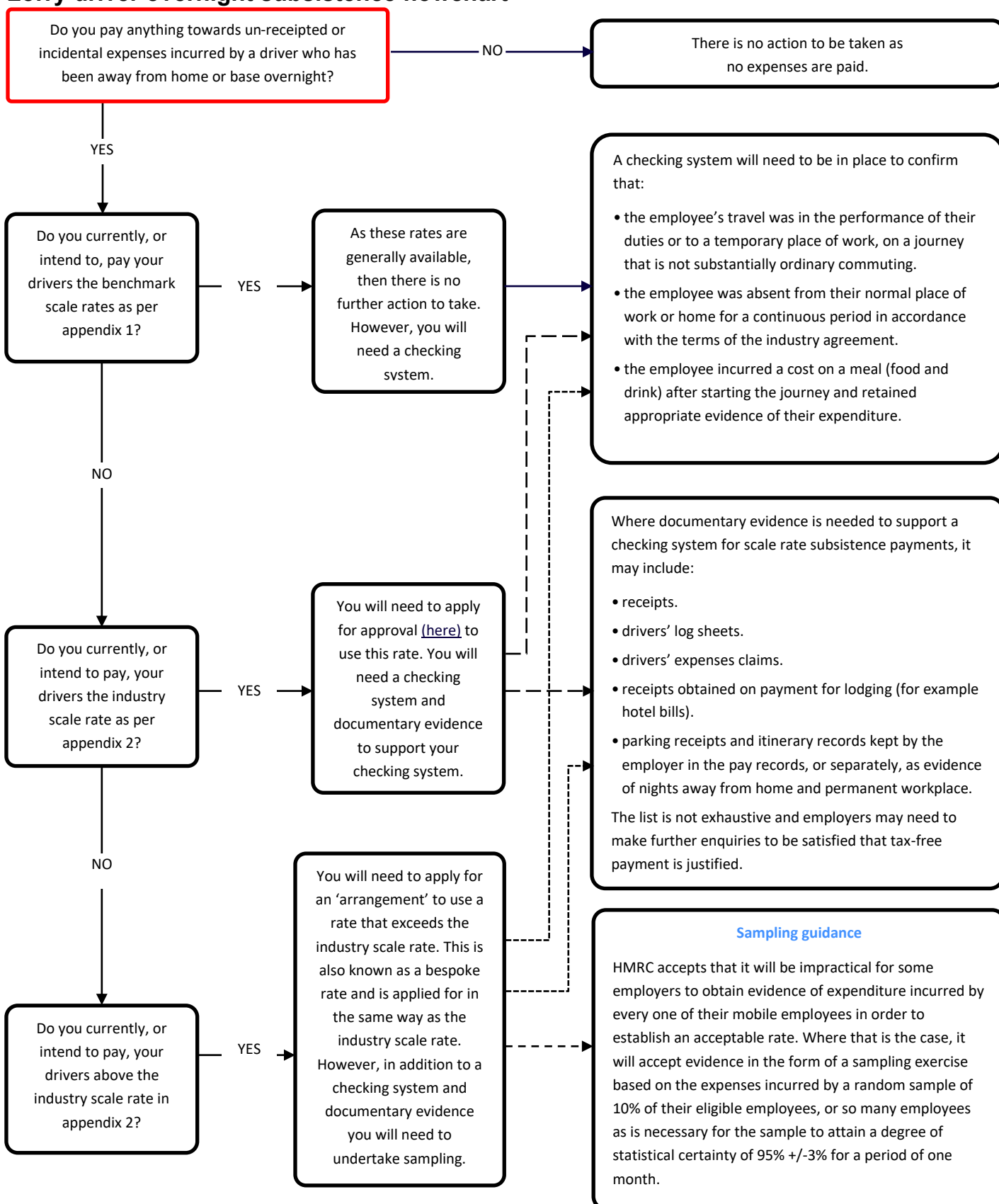
Documentary evidence needed to support the checking system may include the following.

- Receipts – eg for hotels or parking.
- Drivers' log sheets or tachograph records/data.
- Drivers' expenses claims.

Operators may need to make further enquiries to be satisfied that tax-free payment is justified.

Operators will need to retain evidence to show that they have undertaken checks in accordance with the checking system that they proposed when making their application for an approval notice. This evidence may also be required when the employer is subject to an employer compliance review.

Lorry driver overnight subsistence flowchart



Appendix 1

Benchmark scale rates as mentioned above are as follows.

For drivers who are away from their home or normal workplace there is a lunch allowance of £2 per day.

For drivers who are away from base for over set periods, a meal allowance can be paid as follows.

Minimum journey time	Maximum amount of meal allowance
5 hours (one meal)	£5
10 hours (two meals)	£10
15 hours (and ongoing at 20:00)	£25

Where a benchmark scale rate of £5 or £10 is paid and the qualifying journey lasts beyond 20:00, a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late.

Appendix 2

The Industry scale rates are as follows.

Sleeper cab	£26.20
Non sleeper cab	£34.90

Further note

If you are not able to use hyperlink noted on the flow chart, the full web address for the HMRC application form for industry or bespoke rates is on page 1 of this document.