

Technology

The BIK value for company cars

The Benefit in Kind (BIK) value is a percentage of the list price of the car, from 2% to 37%, based on the CO2 emissions of the car. The BIK for all petrol/diesel only cars is based on g/km of CO2.

CO2 emissions (g/km)	Car Benefit (% of list price)	Fuel Benefit (% of £25,300)
51 - 54	15%	15%
From 55 – 169, there is an increase of 1% per 5 g/km	16% to 36%	16% to 36%
Over 170	37%	37%
All electric only cars	2%	0%

Please note that for cars registered before 6 April 2020, the rate above is increased by 1%. For diesel cars that don't meet RDE2 standards, the above is increased by 4%.

The noted increases cannot take the maximum benefit over 37%. Hybrids with CO2 of less than 50 g/km have different rates applicable.

The resulting BIK figures are chargeable to personal Income Tax in the same way as if the BIK figure was salary.

Additionally, the company pays National Insurance contributions (NIC) of 15.05% of the BIK figure.

If you wish to find out more about the BIK values for company vehicles, please contact our EQ Technology team on technology@eqaccountants.co.uk.



Want more information? Talk to EQ today.