

To: Chief Executives in England, Wales and N Ireland  
(additional copies for HR Director and Finance Director)  
Members of the National Employers' Organisation  
Regional Directors  
Secretaries of the Local Government Associations

14 July 2010

Dear Chief Executive,

**NJC CAR ALLOWANCES 2010/11  
CHANGE TO VAT: 4 JANUARY 2011**

The Chancellor of the Exchequer announced in the Budget that VAT is to be increased from 17.5% to 20% with effect from 4 January 2011.

As a result, the amount of VAT per mile in the petrol element of the NJC Car Allowances will change. The new figures – applicable to the current NJC mileage rates until 31 March 2011 - are shown below, underlined in bold type.

	<u>451 - 999cc</u>	<u>1000 - 1199cc</u>	<u>1200 - 1450cc</u>
<b><u>Essential Users</u></b>			
Lump sum per annum	£846	£963	£1,239
per mile first 8,500	36.9p	40.9p	50.5p
per mile after 8,500	13.7p	14.4p	16.4p
Petrol Element	9.406p	10.366p	11.288p
Amount of VAT per mile in petrol element	<b><u>1.567p</u></b>	<b><u>1.727p</u></b>	<b><u>1.881p</u></b>
<b><u>Casual Users</u></b>			
per mile first 8,500	46.9p	52.2p	65.0p
per mile after 8,500	13.7p	14.4p	16.4p
Petrol Element	9.406p	10.366p	11.288p
Amount of VAT per mile in petrol element	<b><u>1.567p</u></b>	<b><u>1.727p</u></b>	<b><u>1.881p</u></b>

Yours sincerely,



Sarah Messenger  
Employers' Secretary