

JOINT NEGOTIATING COUNCIL FOR THE EDUCATION AND LIBRARY BOARDS

11 December 2008

**To:- Chief Executives
Council Members
MSO/TUSO**

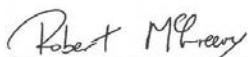
Joint Negotiating Council Circular No. 154 (Amended) Car Allowances - Change to VAT w.e.f. 1 December 2008


The Joint Secretaries of the Joint Negotiating Council have noted, as per the Pre-Budget Report announced by the Chancellor of the Exchequer, that VAT is to be reduced from 17.5% to 15% w.e.f. 1 December 2008.

The amount of VAT per mile in the petrol element has been amended and the new figures, applicable to current NJC mileage rates until 31 March 2009, are shown below, underlined in bold. The rates which had been agreed w.e.f. 1 April 2008 remain unchanged.


| Essential Users | 451 - 999cc | 1000 - 1199cc | 1200 - 1450cc |
|--|--------------------|----------------------|----------------------|
| Lump sum per annum | £753 | £849 | £1,095 |
| Per mile first 8,500 | 34.0p | 36.9p | 45.8p |
| Per mile after 8,500 | 13.3p | 13.6p | 15.8p |
| Petrol element | 09.227p | 09.804p | 10.695p |
| Amount of VAT per mile in petrol element | 01.203p | 01.278p | 01.395p |
| Casual Users | | | |
| Per mile first 8,500 | 42.9p | 46.9p | 58.7p |
| Per mile after 8,500 | 13.3p | 13.6p | 15.8p |
| Petrol element | 09.227p | 09.804p | 10.695p |
| Amount of VAT per mile in petrol element | 01.203p | 01.278p | 01.395p |


These allowances are based on a price of 103.52p per litre (470.6p per gallon) for unleaded petrol.


Management Side Secretary
R McGreevy


Trade Union Side Secretary
A Millar


Trade Union Side Secretary
L Kerr


Trade Union Side Secretary
E Coy


Trade Union Side Secretary
T Trainor

Council Secretary:

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National Employers for Local Government Services

To: Chief Executives in England, Wales & N Ireland
(with copies enclosed for HR Director and Finance Director)
Members of the National Employers' Organisation
Provincial Employers' Secretaries
Local Authority Associations' Secretaries

25 November 2008

Dear Chief Executive,

NJC CAR ALLOWANCES 2008/09 CHANGE TO VAT: 1 DECEMBER 2008

The Chancellor of the Exchequer announced yesterday in the Pre-Budget Report that VAT is to be reduced from 17.5% to 15% with effect from 1 December 2008.

As a result, the amount of VAT per mile in the petrol element of the NJC Car Allowances has been amended. The new figures – applicable to the current NJC mileage rates until 31 March 2009 - are shown below, underlined in bold type.

The NJC Car Allowance rates to take effect on 1 April 2009 will automatically take account of this new VAT rate, which the Chancellor announced will run until 31 December 2009, at which point a further circular will be issued to reflect any changes announced by the Government.

| | 451 - 999cc | 1000 - 1199cc | 1200 - 1450cc |
|--|----------------------|----------------------|----------------------|
| Essential Users | | | |
| Lump sum per annum | £753 | £849 | £1,095 |
| per mile first 8,500 | 34.0p | 36.9p | 45.8p |
| per mile after 8,500 | 13.3p | 13.6p | 15.8p |
| Petrol Element | 9.227p | 9.804p | 10.695p |
| Amount of VAT per mile in petrol element | <u>1.203p</u> | <u>1.278p</u> | <u>1.395p</u> |
| Casual Users | | | |
| per mile first 8,500 | 42.9p | 46.9p | 58.7p |
| per mile after 8,500 | 13.3p | 13.6p | 15.8p |
| Petrol Element | 9.227p | 9.804p | 10.695p |
| Amount of VAT per mile in petrol element | <u>1.203p</u> | <u>1.278p</u> | <u>1.395p</u> |

Yours sincerely,

Harry Honor
for Employers' Secretary