

IR FACTSHEET – Mileage Rate / Mileage Allowance

Mileage Rate and Mileage Allowance Defined:

Mileage Rate: A taxable payment provided to operatives who use company-provided transport to travel to a job site that is 15 miles or more from the shop.

Mileage Allowance: A non-taxable payment provided to operatives who use their own vehicle for work-related travel to a job site that is 15 miles or more from the shop. This allowance compensates for fuel and wear-and-tear on the employee's personal vehicle.

If an employer lacks a shop within 25 miles of a job, they may hire labour within that radius. Operatives receive JIB wage rates for the job's zone and mileage allowances, with "Home" replacing "Shop" for calculation purposes in accordance with section 11.2 of the handbook.

The rates for Mileage Rate and Mileage Allowance are agreed upon with HMRC. The latest mileage payment rates can be found in Section 11.2 of the handbook [here](#).

Who is entitled to receive mileage rate / mileage allowance?

These payments apply to employees of JIB member companies operating under the JIB collective agreement, including apprentices and trainees who this also applies to or similar conditions as other employees. Eligibility for Mileage Rate and Mileage Allowance is determined by the distance travelled, which is calculated using the fastest route as defined by the RAC route planner

How is the fastest route for mileage calculations determined?

The distance between the shop and the job site is measured using the fastest route, as determined by the [RAC Route Planner](#).

What is considered an onerous journey, and how does it affect mileage compensation?

For onerous journeys, where the distance or travel conditions are significantly challenging, employers may opt to provide additional compensation or adjust the mileage rate or allowance, calculated from the shop to the job. As an alternative, employers may also consider offering a lodging allowance or accommodation provision to support the operative.

Are operatives who are locally engaged near the job site eligible for Mileage Rate or Allowance?

Operatives locally engaged near the job site may not be eligible for Mileage Rate or Allowance, as their daily commute does not require compensation. Eligibility is based on distance from the shop to the job site. Operatives living within 25 miles receive JIB wage rates and retain entitlements for transfers within this

radius. Transfers beyond 25 miles are eligible for Mileage Allowance and Rates per Section 11.2 of the JIB Handbook.

How is travel time treated in terms of pay for journeys to, from, and between job sites?

Travel to and from the first and last job site of the day is generally not considered paid working hours unless specified otherwise. However, once operative starts work at the first job site, any travel between job sites during the working day is paid at the operative's hourly rate.

For personal vehicle use, it's recommended for the operative and employer to agree in advance on what constitutes "actual fare" or other travel costs to avoid confusion.

If a vehicle is shared, do all passengers receive the Mileage Allowance?

If you share a vehicle, only the driver is entitled to receive the mileage allowance.

What should an operative do if the employer-provided transport is unsuitable?

If the provided transport is deemed unsuitable (e.g., unsafe or unreliable), the operative should not use and report this to their employer. The operative must address these concerns and may allow the use of a personal vehicle with the applicable Mileage Allowance.

Who is responsible for insurance when using a personal vehicle for work-related travel?

Operatives using their personal vehicle for work-related travel must ensure that their insurance policy covers business use. Employers are not responsible for providing this coverage but should inform operatives of this requirement.

Are mileage/travel payments paid when lodging away?

When sent to a lodging job, employees should receive the fare and travel time at the basic rate from the shop to the job. For periodic return fares on longer jobs, refer to National Working Rule 11 for details.

Can an operative claim tax relief if payments do not cover all their travel expenses?

Operatives can claim tax relief from HMRC for travel costs if their employer's payments do not cover all expenses for business trips, up to the AMAP rates. This can be done through a Self-Assessment tax return or by filing a P87 form. It is advisable to seek independent tax advice to ensure accurate claims.