

Payroll news: benefits in kind for combustion-engine vehicles - 28/02/2025

The decree of 25th February 2025, published in the *Journal Officiel* on 27th February 2025, amends the rules for the flat-rate valuation of benefits in kind with effect from 1st February 2025.

<https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000051254024>

Vehicles are particularly affected by this change, and a distinction must now be made between two periods for assessing the amount of the benefit in kind:

For vehicles made available until 31st January 2025:

- For a purchased vehicle, the valuation is based on **9% of the purchase cost**, and when the vehicle is **more than five years old**, on **6% of the purchase cost**. Where the employer pays for the vehicle's fuel, the benefit is assessed on the basis of the latter percentages, plus an assessment of the fuel costs based on the expenses actually incurred, or on the basis of an **overall flat rate of 12% of the vehicle's purchase cost and 9% where the vehicle is more than five years old**.
- For a leased vehicle or a vehicle leased with a purchase option, the valuation is based on **30% of the total annual cost** of the vehicle, including leasing, maintenance and insurance. Where the employer pays for the vehicle's fuel, the benefit is assessed on the basis of the latter percentage plus an assessment of fuel expenses based on the actual costs incurred, or on the basis of an **overall flat rate of 40% of the total annual cost**, including vehicle hire, maintenance, insurance and fuel.

For vehicles made available from 1st February 2025:

- When the vehicle is purchased, the valuation is based on **15% of the purchase cost** and when the vehicle is **more than five years old on 10% of the purchase cost**. Where the employer pays for the vehicle's fuel, the benefit is assessed on the basis of the latter percentages plus the assessment of fuel expenses based on actual costs incurred, or on the basis of an **overall flat rate of 20% of the vehicle's purchase cost and 15% where the vehicle is more than five years old**.
- If the vehicle is leased, with or without a purchase option, the valuation is based on **50% of the total annual cost**, including leasing, maintenance and insurance. Where the employer pays for the vehicle's fuel, the benefit is assessed on the basis of the latter percentage plus an

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assessment of the fuel expenses based on the costs actually incurred, or on the basis of an overall flat rate of **67% of the total annual cost** including vehicle hire, maintenance, insurance and fuel.

At a first glance, these rate changes only apply to new vehicles made available from 1st February 2025 onwards, while the assessment would remain unchanged for vehicles made available before this date. We await confirmation of these elements from the *Journal Officiel* and URSSAF, particularly with regard to vehicles made available up to January 31, 2025.

We are of course here to help you get to grips with this new measure.

Stéphanie Mabilde

Director

Payroll Department

smabilde@sofradec.fr



Emilie Campbell

Deputy Director

Payroll Department

ecampbell@sofradec.fr



Nicolas Ehlert

Legal Counsel – Labour Law

Payroll Department

nehlert@sofradec.fr



Oumar Diallo

Legal Counsel – Labour Law

Payroll Department

odiallo@sofradec.fr

