‘Outdated’ mileage rates leaving care workers out of pocket

Briefings



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ATT calls for mileage rates to be updated to reflect the true cost of business travel.

Care workers who have no choice but to use their own vehicles for work are being left out of pocket by ‘outdated’ mileage rates which have not been uprated since 2011, the ATT has warned.

ATT President Senga Prior said: ‘These rates have been frozen for so long that employees are no longer being reimbursed for the true cost of their business travel. The Bank of England’s inflation calculator suggests that 45p in 2011 would be worth 64p by July 2024.

‘Effectively, employees doing business mileage on behalf of their employer are out of pocket. This particularly impacts those at the lower end of the wage spectrum, such as care workers, who have no choice but to use their own cars.’

The ATT has also called for a ‘two-tier approach’ based on total mileage to be scrapped and replaced with a simpler, single rate.

The NHS and some local authorities pay rates that differ from those of HMRC. Higher rates are generally paid for small amounts of business travel and lower rates when travel increases.

Senga Prior added: ‘If the HMRC rates were updated more regularly and set at a level that other government departments and local authorities were prepared to accept, this would simplify the position for employees. It would also introduce consistency between the private and public sector and reduce administration costs across government.’