



Alliant Global Services

Global Knowledge Center –
Legal & Regulatory Updates

February 2025



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Contents

Canada	2
Δ Revenu Québec releases 2025 tax-exempt vehicle expenses and employee benefits ceilings that coincide with federal tax-exempt ceilings	2
France	4
Δ Number and monetary value of donatable rest days set by decree	4
Hong Kong	6
Δ Mandatory Provident Fund offsetting arrangement abolished as of 1 May 2025	6
Italy	9
Δ Parental leave paid at 80% of the salary extended to three months	9
New Zealand	11
Δ Government to address leave-related compliance burden with simplification reforms	11
Poland	12
Δ Legislation introduces Christmas Eve as a new statutory holiday	12
United Arab Emirates	14
Δ Emiratization targets apply to 12,000 smaller employers across key economic sectors	14
United Kingdom	16
Δ Employee entitlement to neonatal care leave and pay, starting 6 April 2025	16
Δ Most advisory fuel rates for use of company car increased in some cases	18
Δ New guidance on neurodiversity to address survey-identified reasonable adjustment barriers	21
About Alliant Global	24

Canada

Revenu Québec releases 2025 tax-exempt vehicle expenses and employee benefits ceilings that coincide with federal tax-exempt ceilings

Published 28 February 2025

On 28 February 2025, in a [press release](#) the Quebec Ministry of Finance confirmed that it will adopt the same vehicle expense and employer allowance deduction rates set on 30 December 2024 by the federal Department of Finance for 2025.

As of 1 January 2025, the limits and rates used to determine deductible automobile expenses and calculate taxable benefits relating to the use of a vehicle for provincial tax purposes are as follows:

- The limit on tax-deductible per kilometer allowances paid for employees' use of their personal vehicles for business purposes has increased to CAD 0.72 per km for the first 5,000 kilometers travelled (up from previously CAD 0.70), and CAD 0.66 per km for additional kilometers (up from previously CAD 0.64). As was the case in 2024, the applicable rates are four cents higher for Yukon, the Northwest Territories and Nunavut, (i.e., CAD 0.76 per km for the first 5,000 kilometers travelled and CAD 0.70 per km for additional kilometers).
- The prescribed amount used to determine the value of the taxable benefit an employee receives for the personal portion of the operating costs of an employer-provided vehicle is increased from CAD 0.33 per km to CAD 0.34 per km. For taxpayers whose main occupation is selling or leasing automobiles, the prescribed amount is increased to CAD 0.31 per km (up from previously CAD 0.30 per km).
- The maximum capital cost of non-zero-emission passenger vehicles for capital cost allowance purposes is increased from CAD 37,000 to CAD 38,000 before goods and services tax (GST) and the Quebec Sales Tax (QST) for vehicles purchased in 2025.
- The maximum capital cost of eligible zero-emission passenger vehicles for capital cost allowance purposes remains at CAD 61,000 (before GST and QST) for vehicles purchased in 2025. Eligible zero-emission passenger vehicles include plug-in hybrids with a battery capacity of at least 7 kWh and vehicles that are fully electric or fully powered by hydrogen.
- The deductible limit for interest paid on amounts borrowed to purchase a passenger vehicle remains unchanged at CAD 350 per month for loans related to vehicles purchased in 2025.
- The deductible limit for leasing expenses is increased from CAD 1,050 to CAD 1,100 per month (plus GST and QST) for leases entered into in 2025.

As a reminder, the applicable lease limit is determined by the year in which a lease is initiated, as opposed to the year in which lease payments are made. The allowable monthly lease limits per year are:

- CAD 1,050 for leases starting in 2024, or which the applicable maximum input tax refunds (ITR) is CAD 104.74;
- CAD 950 for leases starting in 2023, for which the applicable maximum input tax refunds (ITR) is CAD 79.80;
- CAD 900 for a lease starting in 2022, for which the applicable maximum input tax refunds (ITR) is CAD 89.78; and
- CAD 800 for a lease starting before 2022, for which the applicable maximum input tax refunds (ITR) is CAD 94.76.

Official Sources

- Revenu Québec press release of 28 February 2025: [Limits and Rates Related to the Use of an Automobile for 2025](#)
- Department of Finance Canada, News release of 30 December 2024: [Government Announces the 2025 Automobile Deduction Limits and Expense Benefit Rates for Businesses](#)

France

Number and monetary value of donatable rest days set by decree

Published 22 February 2025

Effective 22 February 2025, with their employer's consent, employees may donate up to three rest days per year to certain other employees or donate the monetary value of the waived rest days to certain organizations.

On 16 April 2024, new legislation introduced the possibility of donating rest days to other employees, or the monetary equivalent of their rest days to certain organizations. Its implementation decree limiting the maximum number of donated days to three per employee per year and setting the monetary value of days donated to organizations came into effect on 22 February 2025.

Donation of rest days between employees

With the employers consent and without any compensation, employees can make an anonymous donation of rest days to allow a colleague to care for a sick child or for an individual who is losing their autonomy or an individual with a disability.

This donation covers unused rest days, whether or not they have been allocated to a time savings account (*compte épargne temps, CET*).

As a reminder, employees may, transfer entitlements stemming from any of the following sources to their CET:

- Their fifth week of employer-paid annual leave,
- Additional leave acquired from splitting their annual leave into segments, or from collective agreements,
- Untaken rest periods, such as a reduction in working time for having worked more than 35 hours in a week or the collectively agreed duration of the workweek (*réduction du temps de travail, RTT*),
- Various remuneration components (e.g., years-in-service bonus, thirteenth month pay).

The employer can allocate the hours worked beyond the collectively agreed duration of a workweek (e.g., overtime) to the CET.

Employee donations of employer-paid annual leave days may only correspond to unused days from the fifth week of their annual leave entitlement.

Donation of rest days to organizations

The new legislation allows employees to waive their rest days to the benefit an organization mentioned in paragraphs a and b of section 1 of Article 200 of the General Tax Code (i.e., foundation or association

recognized as being of public utility, university foundations or partnership foundations, organizations of general interest with a philanthropic, educational, scientific nature, social, humanitarian, sporting, family, cultural nature or contributing to gender equality, the enhancement of artistic heritage, the defense of the natural environment or the dissemination of French culture, language, and scientific knowledge).

The waiver of rest days is limited to three days per employee per year, requires the employer's consent, and is done without employer compensation.

As is the case with the donation of rest days across employees, the possibility to donate to an organization applies regardless of the leave having been allocated to a time savings account.

The number of rest days that an employee can waive cannot exceed three per year, and the recent implementation decree determines the terms according to which such rest days are converted into their monetary value. The monetary value of donated rest days is equal to the remuneration that the employee would have received on the date on which the employer accepts their request to waive their entitlement to the leave days.

Underlying legislation

- Decree No. 2025-161 of 20 February 2025 relating to the terms of implementation of rest day donations to organizations mentioned in a and b of 1 of article 200 of the General Tax Code ([Décret n° 2025-161 du 20 février 2025 relatif aux modalités de mise en œuvre du don de jours de repos aux organismes mentionnés aux a et b du 1 de l'article 200 du code général des impôts](#)), which was published in the Official Journal (*Journal officiel de la République française. JORF*) on 21 February 2025.
- Law No. 2024-344 of 15 April 2024 aimed at supporting voluntary commitment and simplifying associative life ([Loi n° 2024-344 du 15 avril 2024 visant à soutenir l'engagement bénévole et à simplifier la vie associative](#)), which was published in the JORF on 16 April 2024

Hong Kong

Mandatory Provident Fund offsetting arrangement abolished as of 1 May 2025

Published 14 February 2025

Effective 1 May 2025, the Mandatory Provident Fund (MPF) scheme's offsetting arrangement is abolished.

The abolition of MPF offsetting arrangements will not apply to employees who are not covered by the MPF scheme or other statutory retirement schemes, as well as to employees below 18 or above 65 years of age.

These offsetting arrangements refer to employers' severance payment (SP) and long service payment (LSP) statutory obligations.

To support employers with any SP and LSP expenses related to the adjustment, the government will introduce the 25-year Subsidy Scheme for Abolition of MPF Offsetting Arrangement on 1 May 2025.

Key changes related to the abolition of the MPF scheme's offsetting arrangement are detailed below.

Abolition of the MPF Scheme's offsetting arrangement

Effective 1 May 2025, employers will not be able to use accrued benefits derived from their mandatory contributions to their employees' MPF scheme to offset SP and/or LSP owed to an employee.

The abolition of the offsetting arrangement is not retrospectively effective, in that if an employee's employment started before 1 May 2025, the employer can continue to use the accrued benefits of the MPF contributions (irrespective of whether the contributions are mandatory or voluntary; and irrespective of whether the contributions are made before, on or after 1 May 2025 to offset an employee's SP and/or LSP for the employment period before 1 May 2025).

Accrued benefits derived from the employers' voluntary MPF contributions (ERV), and bonuses based on length of service will still be available to employers for offsetting SP and/or LSP.

As indicated above, the abolition of MPF offsetting arrangements will not apply to employees who are not covered by the MPF scheme or other statutory retirement schemes, or to employees below 18 or above 65 years of age.

Government subsidy scheme

Starting 1 May 2025, the government will introduce a 25-year subsidy scheme to support employers with their SP and/or LSP expenses. During the first 3 years of the subsidy scheme, an employer's share of SP and LSP will be capped at the lower of 50% or HKD 3,000 per employee, provided that the total of SP and LSP does not exceed HKD 500,000 per year. If the total exceeds HKD 500,000, then the employer's share will

be capped at 50% of the total due. In both cases, the remaining balance will be subsidized by the government.

The capped amount of the employer's share of the total due will gradually increase starting from the fourth year of the subsidy scheme, until it reaches 95% in cases where the employer's total liability is less than HKD 500,000, and 100% in cases where the total is greater than HKD 500,000.

Subsidy scheme details, eligibility, and examples are provided on the [Labor Department's online platform](#).

Calculation of SP and LSP

An employee's SP and LSP calculation has two components, namely a pre-abolition portion and post-abolition portion. The calculation of employees' SP and/or LSP is as follows:

- Prior to 1 May 2025, the calculation of employees' SP and/or LSP is based on their last month's salary before 1 May 2025, and the number of years of service as of 1 May 2025.
- After 1 May 2025, once the subsidy scheme is in place, if the total amount of an employee's SP and/or LSP (including amounts pertaining to the period prior to 1 May 2025) exceeds the cap of HKD 390,000, the excess amount will be deducted from the portion of the employee's SP and LSP pertaining to the period after 1 May 2025.

Maintaining employee wage records

Employers must maintain wage records of all employees covering the period of their employment during the 12 months before the abolition date (1 May 2025). If the employee's employment ends, employers must keep their records for a period of six months from the day the employment ends.

For employees whose employment period was less than one month before the abolition date, the employer should keep the employee's first month of employment wage records.

Employer Actions

Effective 1 May 2025, employers must comply with the government's abolition of the MPF scheme's offsetting arrangement, meaning that accrued benefits derived from employers' mandatory contributions to employees' MPF schemes can no longer be used to cover employers' SP and/or LSP statutory obligations.

Furthermore, employers must keep wage records of all employees covering the period of their employment during the 12 months before 1 May 2025. When an employee's employment ends, employers must continue to keep their records for a period of six months from the day the employment ends. For employees whose employment period was less than one month before the abolition date, the employer should keep the employee's first month of employment wage records.

The abolition does not apply to employees who are not covered by the MPF scheme or other statutory retirement schemes, as well as to employees below 18 or above 65 years of age.

Underlying legislation

Commencement notice for [Employment and Retirement Schemes Legislation \(Offsetting Arrangement\) \(Amendment\) Ordinance 2022](#) which was enacted by the Legislative Council on 9 June 2022, was published in the Official Gazette on 29 November 2024.

Resources

- Labor Department: [One-Stop Online Platform on the Abolition of MPF Offsetting Arrangement](#)
- Key features of the [Government Subsidy Scheme](#)

Italy

Parental leave paid at 80% of the salary extended to three months

Published 5 February 2025

The 2025 Budget Law provides for an additional two months of parental leave entitlement paid at 80% of salary by the social security system for each parent. These additional months of parental leave paid at 80% of salary (up from previously 60% and 30% of salary respectively) apply when parental leave is taken within the first six years of a child's life, provided maternity and paternity leaves have ended by 31 December 2024. These changes bring the total number of months of parental leave paid at 80% to three months for employees who have ended their maternity and paternity leaves by 31 December 2024.

To support families with children, Articles 217 and 218 of the 2025 Budget Law introduce new parental leave measures.

The first month of parental leave is paid at 100% of salary. The changes introduced by the 2025 Budget Law pertain to benefits paid during the second and third months of parental leave and are detailed below.

Increased benefits paid for the second month of parental leave

Effective 1 January 2025, the parental leave allowance increased to 80% of salary. This increase pertains to the second month of parental leave taken within the first six years of the child's life. This provision replaces a previous benefit payment of 60% that was already provided for by legislation to start in 2025, provided the employee's maternity or paternity leave had ended by 31 December 2024. The increase to 80% was initially provided for the year 2024 only. With the provisions of the 2025 Budget Law the measure becomes permanent.

Increased benefits paid for the third month of parental leave

Effective 1 January 2025, the allowance for the third month of parental leave taken within the first six years of the child's life is increased to 80% of the salary. This provision replaces a benefit payment of 30% that was already provided for by legislation to start in 2025, provided the employee's maternity or paternity leave had ended by 31 December 2024.

New parental leave benefit provisions

The changes introduced by the 2025 Budget Law refer to employees who have completed or will complete their maternity leave or paternity leave (whichever applies). The entitlements based on the time of completion of maternity or paternity leaves that apply as of 1 January 2025 are presented in the table below.

Date of completion of maternity or paternity leave		Parental leave benefits entitlements
31 December 2023	1st month	100% by the child's 12th birthday
	2nd month	30%
31 December 2024	1st month	100% if used by the child's 6th year
	2nd month	80% if used by the child's 6th year
After 31 December 2024	1st month	100% by the child's 12th birthday
	2nd & 3rd month	80% if used within the child's 6th year, otherwise 30% 30% if used after the child's 6th birthday

The full implementation of these changes is subject to the issuance of implementing circulars by the competent institutions, which will also provide instructions on the recovery of any due but unpaid benefits.

Underlying legislation

The extension of parental leave to three months paid at 80% of salary was introduced by Law no. 207 of 30 December 2024 containing the State budget forecast for the financial year 2025 and multi-year budget for the three-year period 2025-2027 ([*Legge n. 207 del 30 dicembre 2024 recante il Bilancio di previsione dello Stato per l'anno finanziario 2025 e bilancio pluriennale per il triennio 2025-2027*](#)), which was published was published in the Official Journal no. 305 SO no. 43 of 31 December 2024.

New Zealand

Government to address leave-related compliance burden with simplification reforms

Published 19 February 2025

In December 2024, following the completion of a public consultation, the government decided to initiate reforms of the [Holidays Act 2003](#) with a focus on simplification and reduction in compliance costs for employers.

The Holidays Act spells out the provisions governing public holidays, annual leave, sick leave and bereavement, and family violence leave. The Act is well known to employers for its longstanding issues, complexities, and lack of clarity that frequently result in payroll errors and compliance concerns.

The key elements of the reform include:

- Modifying a weeks-based annual leave entitlement system to a weeks-based accrual system;
- Prorating sick leave entitlements to better align with increases in the portion of non-traditional workers in the labor market.
- Introducing easy-to-apply approaches for calculating leave entitlements of employees with variable work arrangements.

The Ministry of Business, Innovation and Employment (MBIE) is elaborating the details of the reforms with the goal of acquiring Cabinet approval of a proposal in 2025, following stakeholder consultations.

The proposed reforms will go through the parliamentary process prior to coming into effect. In the meantime, employers must continue to comply with the current statutory requirements and remain obligated to remediate any employee underpayments that have occurred due to non-compliance.

The MBIE has confirmed that the reforms will entail sufficient transition time to allow employers to adjust their policies, practices, procedures, payroll systems and/or providers.

Resources

[Holidays Act Reform – Consultation document for targeted consultation](#)

Poland

Legislation introduces Christmas Eve as a new statutory holiday

Published 11 February 2025

Effective 1 February 2025, Christmas Eve is added to the 13 existing employer-paid statutory holidays that must be observed.

2025 Statutory Holidays

The schedule of the 14 employer-paid statutory holidays for 2025 is presented in the table below.

Holidays	2025 Dates
New Year's Day	Wednesday, 1 January
Epiphany	Monday, 6 January
Easter Sunday	Sunday, 20 April ⁽¹⁾
Easter Monday	Monday, 21 April
Labor Day	Thursday, 1 May
Constitution Day	Saturday, 3 May ⁽²⁾
Whit Sunday	Sunday, 8 June ⁽¹⁾
Corpus Christi	Thursday, 19 June
Assumption	Friday, 15 August
All Saints' Day	Saturday, 1 November ⁽²⁾
Independence Day	Tuesday, 11 November
Christmas Eve	Wednesday, 24 December
Christmas Day	Thursday, 25 December
<p>(1) When a statutory holiday falls on a Sunday, employers are not required to offer a working day off. Exceptions apply for certain professions.</p> <p>(2) Holidays that fall on non-working days (other than Sundays) must entitle employees to an employer-paid substitution day of in lieu.</p>	

Employers are reminded that working on statutory holidays is authorized only on an exceptional basis as spelled out in Article 151 of the Labor Code ([Kodeks pracy](#)). Additionally, Article 134 of the Labor Code states that when an employee works on a statutory holiday (other than those that fall on a Sunday), they should receive a compensatory paid day off, or two times their regular pay for time worked on statutory holidays.

Employer Actions

Effective 1 February 2025, employers must annually observe 14 statutory employer-paid holidays, including the newly added holiday on Christmas Eve.

Employers are advised to update their holiday calendars and employee communication materials to reflect the additional statutory holiday.

As a reminder, employers are not required to bridge statutory holidays that fall close to weekends. However, bridging Labor Day and Constitution Day by granting 2 May off is practiced by the majority of employers.

Underlying legislation

The new public holiday was introduced by the Act of 6 December 2024 Amending the Act on Public Holidays and Certain Other Acts ([Ustawa z dnia 6 grudnia 2024 r. o zmianie ustawy o dniach wolnych od pracy oraz niektórych innych ustaw](#)), which was published in the Official Journal (*Dziennik Ustaw*) on 6 December 2024.

United Arab Emirates

Emiratization targets apply to 12,000 smaller employers across key economic sectors

Published 12 February 2025

On 2 January 2025, the Ministry of Human Resources and Emiratization (MOHRE) issued a [press statement](#) announcing the implementation of Emiratization targets to include over 12,000 additional employers, namely employers with 20 to 49 employees across 14 rapidly growing sectors of the economy. These obligations are in addition to existing requirements for employers with more 50 or more employees.

Emiratization expansion only applies outside the UAE's free trade zones.

Under the new requirements, these establishments must have employed at least one UAE national by the end of 2024 and an additional UAE national by the end of 2025. As a reminder, a [MoHRE statement](#) was issued on 25 December 2024, calling on concerned employers to "quickly meet their Emiratisation targets and avoid delaying it until the end of the year."

Economic sectors concerned

The targeted employers operate across 14 specific key economic sectors, namely:

- Information and communications;
- Finance and insurance,
- Real estate,
- Professional and technical activities,
- Administrative and support services,
- Education,
- Healthcare and social work,
- Arts and entertainment,
- Mining and quarrying,
- Transformative industries,
- Construction,
- Wholesale and retail,
- Transportation and warehousing, and
- Accommodation and hospitality

Penalties apply

Non-compliance entails substantial fines. Specifically:

- Non-compliance with the 2024 hiring target subject an employer to fines of AED 96,000, due in January 2025.
- Non-compliance with the 2025 hiring target will entail a fine of AED 108,000 due in January 2026.

Employer Actions

Employers with 20 to 49 employees must take timely action to meet the 2025 hiring target deadline to avoid non-compliance penalties.

MOHRE urges employers to utilize the [Nafis platform](#) (a federal initiative designed to enhance the employability and competitiveness of Emirati citizen) to connect with Emirati nationals seeking employment, and has stressed the effectiveness of its monitoring system in identifying fraudulent practices, such as fake Emiratization and attempts to circumvent Emiratization targets.

United Kingdom

Employee entitlement to neonatal care leave and pay, starting 6 April 2025

Published 5 February 2025

On 17 January 2025, implementation regulations for the [Neonatal Care \(Leave and Pay\) Act](#) of 2023 were published by the government and submitted to Parliament for approval. The government has announced that the provisions of the Act will come into effect starting 6 April 2025.

The provisions of the Act entitle parents of babies born on or after 6 April 2025, to up to 12 weeks of employment-protected leave and pay (if eligible) when their baby needs specialist neonatal care for at least seven continuous days within the first 28 days of life.

The leave must be taken within 68 weeks of the birth or placement/entry into the country in the case of adoption.

Neonatal care leave entitlement

The Neonatal Care (Leave and Pay) Act of 2023 creates a statutory paid leave entitlement for parents or individuals with a personal relationship with a baby admitted to the hospital for at least seven continuous days in the first 28 days beginning with the day after the date of the child's birth.

The new neonatal care leave is in addition to existing family-related leave entitlements, such as maternity, paternity, and parental leaves. How neonatal leave interacts with other family-related leave is regulated. For example, maternity leave cannot be broken and resumed for taking neonatal care leave, which can be taken at the end of maternity leave.

The entitlement to neonatal care leave applies from an employee's first day of employment. However, there is a qualifying period for the statutory neonatal care leave pay (see below).

There are variable notice periods that apply for taking the leave depending on the "tier" of care.

Neonatal care leave eligibility

Both parents are eligible, provided they meet the following criteria:

- On the date of birth, they are the child's parent, intended parent (under surrogacy arrangement) or the partner of the child's mother, or are the child's adopter (or their partner) or prospective adopter (or their partner);
- Are or expect to be responsible for the child's upbringing; and
- Take the leave to care for the child.

Neonatal care leave pay

The Act amends the Social Security and Benefits Act 1992 to add a new Part 12ZE on Statutory Neonatal Care Pay. This creates an entitlement to statutory neonatal care pay for eligible employees during periods of neonatal care leave, provided they have been employed with an employer for a continuous period of at least 26 weeks.

The entitlement is also subject to the lower earnings limit of National Insurance (i.e., GBP 125 per week for the 2025-26 tax year).

According to the [Statutory Neonatal Care Pay \(General\) Regulations 2025](#) (draft still pending parliamentary approval), statutory neonatal care pay can be claimed for at least 12 weeks. As of 6 April 2025, the statutory neonatal care pay is the lower of GBP 187.18 per week, or 90% of the employee's average weekly earnings.

Employer Actions

Employers should ensure that their human resources department revises leave policies, practices and procedures before 6 April 2025 to ensure that they comply with the statutory minimum entitlements to neonatal care leave and pay.

Ahead of 6 April 2025, employers should also ensure that their payroll system or provider is adapted to calculate and process neonatal care pay.

Employers are advised to update all relevant employee communications materials to ensure that their employees are aware of their rights under the new policies. It may also be useful to share with employees any applicable leaves in the event their newborn requires neonatal care prior to 6 April 2025.

Underlying and implementation legislation

The new entitlements were introduced by the [Neonatal Care \(Leave and Pay\) Act](#), which received royal assent on 24 May 2023.

On 17 January 2025, [The Neonatal Care \(Leave and Pay\) Act 2023 \(Commencement No. 2\) Regulations 2025](#) brought into effect the provisions of the Neonatal Care (Leave and Pay) Act that were pending implementation regulations.

Furthermore, on 20 January 2025 both the Draft [Neonatal Care Leave and Miscellaneous Amendments Regulations 2025](#), and the Draft [Statutory Neonatal Care Pay \(General\) Regulations 2025](#) were introduced to Parliament. At the time of publication of this article, both drafts are pending parliamentary approval.

United Kingdom

Most advisory fuel rates for use of company car increased in some cases

Published 24 February 2024

On 25 February 2025, the UK government updated its [Guidance on Advisory Fuel Rates](#). Accordingly, effective 1 March 2025, advisory fuel rates applicable to employees using a company vehicle remain unchanged for the most, with, increased rates in two cases.

Advisory fuel rates are recommended tax-effective limits set by the Revenue and Customs authorities (HMRC) for reimbursements of fuel expenses to be used by employers that provide company vehicles to their employees.

Advisory fuel rates can only be used by employers in two instances, namely:

- When employers reimburse employees' fuel expenses for business-related use of a company vehicle, and
- When employees reimburse employers for using a company vehicle for private purposes.

Advisory fuel rates are on a per-mile basis, and periodically adjusted based on market fuel costs.

New advisory fuel rates

Gas, LPG, or Diesel-fueled advisory rates depend on the vehicle's engine size, measured in cubic centimeters (cc).

Advisory rates for Gas and LPG-fueled vehicles

The new rates applicable as of 1 March 2025 for Gas and LPG-fueled vehicles are presented in the table below.

Engine Size	Gas	LPG
	(pence per mile)	
1400 cc or less	12 pence (down from 13)	11 pence (unchanged)
1401 cc to 2000 cc	15 pence (up from 14)	13 pence (unchanged)
Over 2000 cc	23 pence (down from 24)	21 pence (unchanged)

Advisory rates for diesel-fueled vehicles

The new rates applicable as of 1 March 2025 for diesel-fueled vehicles are presented in the table below.

Engine Size	Diesel (pence per mile)
1600 cc or less	12 pence (up from 11)
1601 cc to 2000 cc	13 pence (up from 14)
Over 2000 cc	17 pence (down from 18)

Advisory rate for electric vehicles (EV)

As of 1 March 2025, the advisory fuel rate for electric vehicles is 7 pence per mile (unchanged). When rates change, the previous rates may be used for up to one month from the date any new rates apply.

Hybrid cars are treated as either petrol or diesel cars for advisory fuel rates.

Employer reimbursement business travel fuel expenses

When an employee pays for a company vehicle's fuel for work-related driving, the employer must reimburse the employee for the expenses. Employer reimbursements up to the advisory fuel rate are exempt from income tax and National Insurance (NI) contributions and deductible from corporate revenues as a business expense.

In cases where a company vehicle is not fuel-efficient, and where employees must be reimbursed at a rate that is higher than the advisory fuel rate, the employer must be able to demonstrate that the vehicle entails a higher per mile fuel consumption. Otherwise, the amounts reimbursed in excess of the applicable advisory fuel rate will become subject to income tax for the employee, and to NI contributions for both employees and employers, and considered as taxable profit for the employer, i.e., not a deductible expense.

Employees reimbursements fuel used for private travel

When an employee uses a company vehicle with fuel paid for by the employer for private purposes, they must either reimburse the employer for the fuel or have the private use of the company vehicle considered as an employee benefit, and hence subject to income tax and NI contributions.

In order for the use of a company vehicle for private purposes not to be considered as a benefit, an employee must keep a log of miles driven for private purposes and reimburse the employer based on the applicable advisory fuel rate or higher (if the vehicle is not fuel-efficient).

Use of the advisory fuel rates is not required when an employer can demonstrate that the employee has fully covered private travel miles at a lower rate.

Employer actions to consider

With only some advisory fuel rates being increased, employers offering company vehicles to their employees may inadvertently subject themselves or their employees to unintended taxes and NI contributions.

To avoid undesired tax and NI contribution implications stemming from these changes, employers should ensure that all relevant departments or service providers (e.g., payroll, benefits, finance) are informed.

Employers may also wish to inform their employees of the new tax-effective limits for vehicle fuel expense reimbursements.

United Kingdom

New guidance on neurodiversity to address survey-identified reasonable adjustment barriers

Published 6 February 2025

On 30 January 2025, to help employers create an inclusive environment and raise awareness at work, the Advisory, Conciliation and Arbitration Service (ACAS) announced its new [guidance on neurodiversity at work](#). The guidance follows the outcome of a study on barriers to making reasonable adjustments for neurodiverse employees.

The new ACAS guidance has four sections, the first of which aims to support employers understand neurodiversity by enumerating more commonly known types of neurodivergence e.g., ADHD; autism; dyslexia and dyspraxia and their varied traits and characteristics, but also stressing that there are other types of neurodivergence.

ACAS guidance also provides information for employers on:

- How the Equality Act 2010 applies to neurodiverse employees; and
- How to support individuals, raise awareness, and approach neurodiversity sensitively.

It aims to support employers as they navigate standard but often challenging situations in the case of neurodivergent employees, such as carrying out employee management processes (e.g., performance evaluations, capability assessments). These standard tasks become all the more challenging for those with little or no experience managing neurodiverse employees.

The guidance spells out helpful support mechanisms and reasonable adjustments for employers to consider. More importantly, it provides examples of when ordinarily implemented processes may not be suited to the case of neurodivergent employees or may need to be carefully handled.

ACAS survey results

In November 2024, ACAS surveyed 1,650 managers about barriers to making a reasonable adjustment for neurodiverse employees.

The barriers identified by the survey included:

- Low rate of disclosure by employees needing adjustments. 72% of surveyed managers said employees did not disclose the need for a reasonable adjustment.
- Lack of knowledge about neurodiversity, as claimed by 45% of respondents.
- 39% of respondents found the topic difficult to discuss with employees.

ACAS advice to employers

ACAS advises employers to make their workplaces more inclusive so that employees can comfortably share and discuss about neurodiversity.

Raising awareness can support normalization of neurodiversity, which would contribute to ensuring employees' needs are met.

ACAS reminds employers that an inclusive workplace can:

- Improve employee wellbeing;
- Reduce absence levels and employee turnover;
- Attract employees with a broader range of skills and experience; and
- Reduce the risk of disputes and discrimination claims.

ACAS tips for raising awareness

The ACAS guidance also provides tips to employers on raising awareness about neurodiversity. These include:

- Include neurodiversity in employees' mandatory training
- Organize awareness days and campaigns
- Encourage senior employees to become role models
- Create an employee neurodiversity network
- Include neurodiversity in employment induction materials

United Kingdom

Guidance on gender reassignment updated to assist employers in preventing discrimination

Published 4 February 2025

On 29 October 2024, the Advisory, Conciliation and Arbitration Service (ACAS) updated its [guidance on preventing gender reassignment discrimination](#).

The ACAS advice includes and details measures for preventing gender reassignment discrimination, namely:

- Steps for preventing gender reassignment discrimination;
- Advice on supporting an employee who is transitioning, for example in terms of confidentiality, or use of pronouns;
- Considering employment aspects that affect transgender employees, e.g. HR records, IT and security systems, background checks, gender-specific facilities, dress code;
- Reviewing policies on absence or appointments, such as providing for counseling, hormone treatment, voice therapy, surgery;
- Appointing an LGBT+ staff champion; and
- Setting up a staff LGBT+ network.

The guidance stresses all employers' duty to prevent discrimination; acknowledges that small employers with limited resources may not be able to implement all advised measures; and recommends that large employers should, in addition to the measures listed above, consider adopting a transitioning at work policy.

Employers would be well advised to review and implement the discrimination prevention measures recommended by ACAS.

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