



HM Government

FITNESS AT WORK

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More people
More active
More often

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1. Introduction

Being inactive is taking a significant toll on our health and wellbeing – it's as dangerous to our health as smoking. Workers can spend up to three-quarters of their day sat down, which contributes to a range of preventable health conditions, including the two leading causes of workplace absence: back injuries and stress, depression or anxiety.

In 2016/17, 1.3 million workers suffered from work-related ill-health, which equated to 25.7 million working days lost. This has been estimated to cost £522 per employee, and up to £32 billion per year for UK business.

Helping your staff to be physically active at work can bring a number of benefits to you as an employer and doesn't have to be difficult. This guidance provides some advice you can put into practice straight away to help your workforce become healthier.

2. The benefits of physical activity

One in four people are physically inactive despite the fact that regular physical activity has been shown to treat, manage and prevent up to twenty different lifestyle-related conditions, including heart disease, cancers, stroke and diabetes.

Many employees struggle to fit physical activity into their busy working days but being active for just one hour can offset the potential harm of being inactive.

You can take a number of steps to help your employees become more active at work, and save money as a result of a healthier, more productive workforce.

Nearly half of people say cheaper facilities would encourage them to be more active along with having time to fit this into their working day.

2.1 How the UK Tax system can help support more employees to be active:

The government introduced Cycle to Work in 1999 - an annual tax exemption that allows you to loan bicycles and cycle safety equipment to employees as a tax-free benefit. This has had a positive impact on workplace health and employee motivation, and has encouraged new groups of people to take up physical activity. This guidance builds on Cycle to Work, providing suggestions to help you further support your staff to be active.

Supporting employees to be more active during the working day can easily be achieved at no extra cost to you. The UK's tax system is set up to allow employees to easily access discounts – negotiated on their behalf by you – through a deduction of their net pay.

When it comes to offering reduced price gym facilities in or near work, there are two options:

2.2 Providing your own tax-free recreational or sports facilities:

If you are a larger organisation, you may be able to offer a gym or leisure facility for staff in your workplace. These in-house facilities can either be run by your organisation directly or by a third-party provider, and can be offered to employees to access for free or on a paid-for basis. In-house gym facilities can be offered to employees tax-free at a convenient location to fit in around work.

2.3 Securing a corporate discount for employees:

As an employer you may be able to negotiate with local gyms and leisure centres to secure a discounted membership rate to pass on to your employees – this can be up to 20% - 30% cheaper than the normal price. This can vary by provider, and size of your organisation, so make sure to talk to all the potential sites in your local area to find the best deal.

3. What steps can employers take?

3.1 Providing your own tax-free recreational or sports facilities:

Depending on your circumstances, you can choose to provide facilities such as workplace gyms, clubhouses, playing fields or courts for your employees, or you can join up with other employers. As long as the facilities meet [certain conditions](#), it will not be a taxable benefit in kind (BiK) and no tax or National Insurance contributions (NICs) is charged. You do not need to report this to HM Revenue and Customs (HMRC).

Example

- You provide a table tennis table or a workplace gym for that is available for all your employees to use. This is tax-free and does not need to be reported to HMRC.
- You pay for all your employees to have yoga or massage classes at a workplace gym or recreational facility. This is a taxable BiK and will need to be reported to HMRC through the P11D form or payroll.

For more information, go to: <https://www.gov.uk/expenses-benefits-sporting-recreational-facilities/whats-exempt>

3.2 Providing gym membership for your employees:

Employers can negotiate corporate discounts for their staff at nearby gyms and leisure facilities. Depending on how you pay for the cost of the gym membership, the payment is either taxed as earnings or a taxable BiK.

Example

- You pay Ruby an extra £30 cash each month to pay for her gym membership. This is taxed as earnings through PAYE.
- You pay £30 for Ruby's gym membership each month. This is a taxable BiK and you should report on the P11D form to HMRC or through the payroll.

3.3 No cost Benefits in Kind and Making Good:

If you pay for a gym membership and your employee contributes towards the cost from their net pay (after tax and NICs), this is referred to as 'making good'. The amount of the benefit (cost of gym membership) is reduced by the amount of the contribution.

Examples

1. You pay £30 from your company bank account each month for Luke's gym membership, so he has received a taxable BiK of £30 (£360 a year). If Luke decides to pay you £30, he has 'made good' the benefit in total. You have not incurred the cost of providing the benefit. Luke's contribution is taken as a deduction from his net pay so does not need to make separate arrangements with his bank.

As Luke has 'made good' the benefit you do not need to report this to HMRC.

If Luke decides to contribute £15 towards the cost, he will have 'made good' the benefit by this amount. Luke has received a benefit of £15, or £180 a year, and you will need to report this on the payroll or on the P11D form.

2. You negotiate a discount of £10 per month at the local gym and arrange membership for all your employees at £40 per head instead of the usual £50, which you pay for each month.

Your employees have received a taxable BiK of £40 each.

If your employees agree to have £40 deducted from their net pay each month, they have 'made good' the cost of you providing the benefit.

The discount itself is not a taxable BiK as you have not incurred an expense in obtaining the discounted gym membership, so there is nothing to report to HMRC.

3.4 Salary Sacrifice or Optional Remuneration Arrangements (OpRA):

In general, there are no tax or National Insurance savings, either for you or your employees, if you provide benefits through a Salary Sacrifice or OpRA. For more information, go to:

<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim44010>

For more information about sporting and recreational benefits, payrolling benefits and expenses and benefits in general, go to:

<https://www.gov.uk/employer-reporting-expenses-benefits/reporting-and-paying>

<https://www.gov.uk/expenses-benefits-sporting-recreational-facilities/technical-guidance>

<https://www.gov.uk/guidance/payrolling-tax-employees-benefits-and-expenses-through-your-payroll#history>

4. How to find your local gym and leisure centre

You can find the leisure centre, gym or club nearest to you by entering your postcode in [ukactive's 'Find a gym' tool](#).

5. Further information

5.1 Sporting Future:

In 2015 the Department for Digital, Culture, Media and Sport (DCMS) published a cross-government sport strategy '[Sporting Future: A Strategy for An Active Nation](#)' which set out a new vision for a successful and active sporting nation.

5.2 Towards an Active Nation:

In 2016, Sport England's, the public body with responsibility for community sport in England, published '[Towards an Active Nation](#)' which set out how Sport England would contribute towards achieving the aims of *Sporting Future*.

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