

25th July 2013

**NAECI 9.1(d) MEASUREMENT OF RADIUS ALLOWANCE
REQUIREMENT FOR RE-MEASUREMENT ON 2ND SEPTEMBER 2013**

On 4th June 2012 the method of measuring radius allowance under the NAECI was amended from a straight line basis to the fastest route distance as calculated by the online RAC Route Planner. As a condition of approving the new measuring method under the long standing taxation treatment arrangements, HMRC required an amendment to the taxable amounts of the radius band figures and this was agreed and implemented by the Parties.

It has come to the attention of the NJC that there has been a recent change to how the online RAC Route Planner calculates its routes. The NJC has consequently been advised by HMRC that, to protect the taxation treatment arrangements, a re-measurement of journey distances using the updated online RAC Route Planner is required for all in-scope employees in receipt of NAECI 9.1 radius allowance payments. For consistency, the re-measurement of distances for periodic leave travelling time payment purposes, in accordance with NAECI 9.4(c), will also be required.

While the vast majority of employees will not be affected by the re-measurement and will remain in the same radius allowance band, some of those close to a band limit may move up or down to the next band.

To allow sufficient time for the required communication process to the industry stakeholders and administrative preparations to be made by employers, the standard implementation date from which any consequent payment changes take effect will be **Monday, 2nd September 2013**. This implementation date has been approved by HMRC.

The NJC parties are currently reviewing how any future changes to the online RAC Route Planner distance calculation process will be managed with regard to the above NAECI payments.