



## AER – Approved Electric Rate: different rates for home and public charging

### Practical Guidance on using AER for reimbursing company car drivers for business mileage in fully electric cars

December 2025

Guidance Factsheet v1.0

#### Background

Every quarter, HMRC publish Advisory Fuel Rates (AFR) which companies can use **if they want to**, to help them calculate how much to reimburse their employees for the fuel cost relating to business mileage. Companies can use the actual fuel costs or a different rate, if they prefer. (Using higher rates than the actual cost may create additional tax and national insurance liabilities, so employers and employees should check the implications with their tax advisor.)

The AFR is published for different fuels including petrol and diesel. Hybrid cars are treated as either petrol or diesel for AFR purposes. For electric cars, HMRC publish an Advisory Electric Rate (AER). Again, it is optional, not mandatory, and companies can choose whether they want to use the AER, actual costs or a different rate for reimbursing their employees. As above, a rate that is higher than the actual cost, could create additional tax and national insurance liabilities.

Earlier this year, HMRC recognised that the cost of charging electric vehicles at home is different to the cost of public charging. From 1<sup>st</sup> September 2025, a new system for AER, with two different rates was introduced, with a higher rate for public charging.

#### Rates

The rates are updated on 1 March, 1 June, 1 September and 1 December every year. Please see [Advisory fuel rates - GOV.UK](#) for the most current and all historic rates

Electricity rates per mile	1 Sep 2024 - 31 Aug 2025	1 Sep-30 Nov 2025	From 1 Dec 2025
Home Charger	7p	8p	7p
Public Charger		14p	14p

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## How to apply the two different AER in practice

- **Employers can choose to pay the home charging rate (7ppm)** if the driver has a home charger **even if the vehicle is charged on a cheaper overnight tariff**. AERs are an admin easement designed to broadly result in a reimbursement, but there will always be winners and losers.
- **Employers can choose to pay the public charging rate (14ppm) if the driver declares that they don't have a home charger and can only charge on the public network**. Companies should have a policy in place that requires employees to inform them if they have been able to benefit from free-charging when charging away from home.
- **AERs are not statutory amounts so employers can pay less, or a combination of the AER rates provided the calculation has been checked by the employer and the blended rate represents a fair and reasonable result** i.e. it doesn't result in a profit in the hands of the employee.

### 1. Can the rates be blended and if so, at a fleet level, at a driver level or a trip level?

YES, the rates can be blended. HMRC have confirmed that a blended rate will be allowed but HMRC are unable to prescribe any set method; they have stated that, in theory, any of these methods would be acceptable - provided the end result is fair and reasonable.

### 2. What data needs to be kept to prove that a driver does / does not have access to a home charger?

AERs are an admin easement, so HMRC do not want to create additional admin burdens. They would expect employers to periodically check with their employees whether there is a home charger and record any answers given. HMRC do not expect employers to undertake residential visits to check that employees do not have a home charger. A policy that requires employees to inform the employer if a home charger is installed would be sensible.

### Employer policies for a blended approach

### 3. What data needs to be kept to prove certain trips were powered by home or public charging?

Employers will need to obtain confirmation from their employees. This should be determined by employers' own internal policies. It is recommended that the reimbursement policies are properly documented and well communicated with all employees.

- Although AERs are an admin easement and **employers are not required to retain receipts, employers may wish to request sight of charging receipts to verify matters**.
- They may also wish to review the length of journeys to determine whether public charging was necessary.



**4. If a blended AER is used by a company for all employees, can this be based on a reasonable sample of staff surveyed?**

HMRC have confirmed that this would be acceptable, provided the survey information was an accurate reflection of typical journeys taken. (It would be up to the employer to document how they have checked this and periodically review.)

**5. Can a per annum apportionment be used based on asking employees for a percentage split of miles driven each year on electricity from home charging versus electricity on public charging?**

Yes, a 'per annum' apportionment would be acceptable but HMRC would expect employers to check the calculations. This may include looking at the distance travelled and comparing with WLTP range figures etc.

**6. Can the number of miles powered by home charging be determined by subtracting the mileage attributable to public charging (calculated as energy purchased from public sources multiplied by the vehicle's registered WLTP efficiency) from the total quarterly mileage?**

Yes, HMRC have confirmed that this seems just and reasonable whilst not being overly burdensome on the employer from an administrative point of view.

**7. Can journey length be used to estimate the number of miles travelled using public charging?**

YES, if a home charge only provides say 100 miles of travel, and a journey is 150 miles, it would be reasonable to deduct 100 miles from the 150 miles travelled and pay 50 miles at the public charging rate and 100 miles at the home charging rate.

**8. Can WLTP range of the vehicle be used?**

Yes, deducting the WLTP from the actual distance travelled would be an acceptable way of calculating mileage attributable to public charging.

**9. Can a 50/50 apportionment be used with all trips reimbursed at 50% home charge and 50% public charge rates?**

Yes – provided this accurately reflects the different types of charging (home and public) typically undertaken.

**10. Can a higher rate be used to reimburse rapid charging costs?**

YES, a higher amount than the advisory rates can be used as long as employers can show that the fuel cost per mile is higher.



## Other useful notes to remember

### When you can use the mileage rates

These advisory fuel and advisory electric rates only apply to employees using a company car.

Employers can use the rates when they, either:

- reimburse employees for business travel in their company cars
- need employees to repay the cost of fuel used for private travel

Companies must not use these rates in any other circumstances.

### Receipts

As mentioned in response to question 3 above, receipts do **not** need to be kept in order to use the public charging rate for reimbursement. Although receipts are an ideal way of verifying public charging costs, they are not essential.

### AER rates and fuel charge-cards

Where an employee without a home charger drives a company electric car used exclusively for business mileage and the employer pays for public charging costs directly via a charge card, it would be reasonable to reimburse at the public charging rate (14ppm) for any travel not covered by the charge card.

### Workplace charging

Workplace charging is public charging. Therefore, if an employer decides that an employee should repay the cost of electricity for their private mileage, they could use the public charging Advisory Electric Rates (AER's).

## Useful Resources

Please see [Advisory fuel rates - GOV.UK](#) for the most current and all historic rates. The guidance above is based on direct correspondence between BVRLA and HMRC.

## Contact

For any further questions, please contact [Zohra@bvrla.co.uk](mailto:Zohra@bvrla.co.uk)

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