



Employee Expense Guidelines

GUIDELINES FOR CLAIMING EXPENSES AGAINST TAX - EMPLOYED STATUS

Generally speaking, most employees recover the costs of expenses that they may have incurred on behalf of their employer by submission of an expenses claim to that employer. Such expenses that have been remunerated by the employer cannot then be claimed again in a tax return.

For expenses that have not been reimbursed by the employer, to be allowable for tax purposes they will need to have been incurred wholly, necessarily and exclusively in connection with the employer's business (e.g. professional subscriptions).

In the event that you are employed but your expenses are either not repaid by your employer at all, or not fully repaid to the extent that HM Revenue & Customs allow, then the following general guidelines can be used:

General

As already indicated, expenses must be wholly, necessarily and exclusively incurred for the performance of an assignment. Wherever possible, VAT receipts must be obtained.

Travel

Employees are eligible to claim expenses incurred for travel and subsistence only when they are working at a temporary workplace (a temporary workplace is defined as a place which an employee attends only to perform a task of limited duration or temporary purpose). Where an employee has spent, or is likely to spend, 40% or more of his/her working time at a particular client site for a period of more than 24 months the workplace will be defined as a permanent workplace (therefore expenses are not allowable).

Mileage

Receipts are not required for mileage claims but a log of business miles (see above) will need to be completed. The following rates can be claimed:

- Car - 45p per mile for the first 10,000 miles and 25p per mile thereafter
- Motorbike - 24p per mile regardless of total mileage
- Bicycle - 20p per mile regardless of total mileage

- Rail/tube, bus, taxi, air travel and parking/toll charges - these are all claimable with copies of receipts

Subsistence

Employees can claim the cost of their meals when working away from their permanent workplace. Claims should have supporting receipts.

- Breakfast expenses are claimable if you are required to stay away overnight and the accommodation charge excludes breakfast
- Reasonable lunch expenses can be claimed if you work over 5 hours at one site
- Reasonable dinner expenses can be claimed if you work over 10 hours at one site

Accommodation

Employees who are required, for their work, to stay away from home overnight may claim the cost of accommodation. Wherever possible, meals should be included in this cost.

- Hotels/Bed & Breakfasts - receipts are required
- When required to stay away from home up to £5 per night can be claimed for personal incidental expenses (i.e. laundry, newspapers etc). This increases to £10 per night if you are overseas

Mobile phones

If an employee is required to make business calls from a home telephone or private mobile the cost can be claimed. Details of the business call (i.e. person called and reason for call) must be recorded and copies of itemised bills with business calls highlighted are required to support the claim. The cost of line rentals cannot be claimed.

Protective clothing/uniforms

Employees can also claim for the cost of protective clothing and uniforms if the end user specifically requires these. Copies of receipts are required to support the claim. Employees may also claim the cost of cleaning, laundry or repair of protective clothing/uniforms. Receipts are required to support the claim.

If you have a query about any expenses that are not detailed here, you can contact our Customer Care Team on 0845 620 9255 for further guidance.

Companies within our group have been accredited with the following:

