

Tax Deductible Expenses Guidelines financial year 2008/2009

Introduction

Tax-deductible expenses may be claimed for travel to and from a temporary workplace when incurred, wholly, exclusively and necessarily in the performance of the employment duties. This is providing always that the period spent on any site does not exceed 24 months and that, as an employee of Vital Umbrella you expect to go on to work at another site after finishing at your current site. The 24 month rule applies regardless of how many times the client or other circumstances of your work might change, it is only at the total time spent on on the site that is important.

It is vital that supporting documentation both with regard to the claims themselves and confirmation as to the site location of work and expected duration are clear and unambiguous as the Inland Revenue will not allow expenses without the correct supporting written proof. If required original receipts must accompany each claim.

The following provides details of allowable expenses and guidance on the completion of an expense claim form.

Use of Private Vehicle

Claim forms must be legible and clearly show the starting and finishing mileage (Odometer) reading for each day for business miles only. Your claim will be calculated based on following Inland Revenue Table of Mileage Rates.

Private Vehicle Business Mileage Rates		
Rates for	10000 miles	10001 + miles
Motor Cars/Vans	40p	25p
Motorcycles	24p	24p
Bicycle	20p	20p

The higher rate can be claimed for the first 10,000 miles of each tax year and not each site change. The mileage rate takes into account all the costs involved in running a vehicle including petrol, tyres, road tax, insurance and repairs. Please ensure you have adequate insurance for use of your vehicle on business.

Travel, Subsistence, Meals and Accommodation.

Receipts are required for all travel, other than by private car, or in the case of low cost or "ticketless" airlines where the email confirmation is accepted as a receipt. Other allowable costs in relation to travel include bridge, tunnel and road tolls and car parking charges, incurred on any business trip.

There may be occasions where it is necessary, or more cost efficient, to hire a vehicle for one or more business journeys. In such circumstances it is advisable to contact our expense department where we will be able to advise you as to the best way to complete your claim.

There is a £5 per night allowance for each night spent working away from home. This rises to £10 per night for overseas work. The subsistence payment is to cover incidentals such as newspapers, snacks etc and no receipts are required.

The cost of accommodation and breakfast can be claimed when you stay overnight. In addition to this the reasonable cost of all meals taken during the period spent away from home are also allowable. There is no set definition of reasonable but it is important that as near as If the accommodation is under a Tenancy Agreement, a copy of this Agreement is required with the first expense form, together with receipts for all payments made, you will also be required to confirm in writing that you are maintaining a permanent residence elsewhere.



Safety Equipment, Clothing and Tools

This includes all specialist and/or safety clothing, equipment and tools for manual workers. These are all claimable provided they are required wholly, exclusively and necessarily for the performance of your duties. In other words they must be only relevant to the job you do.

Professional Subscriptions, Course Fees and Medicals.

These are allowed expenses provided that, again, they are incurred wholly, exclusively and necessarily in the performance of your duties. Medicals are only allowable where they are compulsory for work.

Mobile Phones

You can only claim for business calls. They must be highlighted on your original itemised bill and attached to your claim. The purchase of a mobile phone or any “pay as you go” vouchers are not included.

Important Information

Expenses are not paid in addition to your weekly income but are paid free of tax, meaning that you do not pay tax on the amount of earnings equal to the amount of your allowed expense claimed for each week. In other words you are allowed an amount that it costs you to go to work, your expense claim, and you are not deducted tax from it.

Your expenses total will be shown on your P11d form, which is remitted to the Inland Revenue at the end of each Tax Year. In the event that the Revenue review your individual records and deem that some of your expenses claimed were not wholly or exclusively necessary in the performance of your duties for business purposes. Then such expenses would almost certainly be treated as a benefit in kind and you would be personally liable for any additional taxation due.

Processing Claims

In order for your expenses to be processed that pay week the expense claim form must reach Vital Umbrella by Tuesday 10am otherwise it will be processed the following week

