

A guide to expense claims and contacts for self-employed agency workers working outside of IR35

All submitted expense claims must be in line with HMRC guidelines. This guide is not an exhaustive list or detailed description of what can and cannot be claimed. For further information please visit the HMRC website <https://www.gov.uk/expenses-if-youre-self-employed/how-to-claim> or speak to your financial advisor.

A handy online check to see if you can claim is available here:

<https://www.tax.service.gov.uk/claim-tax-relief-expenses/who-claiming-for>

Send all expense claim forms to expenses@smartheartpro.co.uk

More useful links can be found at the end of this document.

- You can only reclaim expenses that have been incurred ‘wholly, exclusively and necessarily’ in the course of carrying out your contract duties.
- You cannot reclaim expenses which have a ‘duality of purpose’, i.e. expenses which have a joint personal and business use.
- Always keep all receipts and expense-related paperwork as a hard or digital copy in a safe place, as you may need to prove claims if challenged in the future. Although your accountant will not need to see them, HMRC can go back as far as six years, should they choose to investigate.

Travel expenses

You can only claim the cost of travel to and from your **temporary** workplace from your normal place of work under the following circumstances;

Mileage rates are currently **45p per mile** for the first 10,000 miles in any fiscal year and then 25p per mile thereafter. This allowance is to cover fuel and running costs of the vehicle. **If you are travelling to a temporary workplace as a passenger in a car you are entitled to claim 5p per mile.** You can also claim for parking and the congestion charges, but you may not claim for parking fines or speeding fines. **The cost of travel by public transport can be claimed, but you must have a valid receipt.** A mileage allowance can also be claimed for travel by motorcycle and bicycle at rates of 24p per mile and 20p per mile respectively.

The term ‘temporary workplace’ means the place attended for a limited duration or temporary purpose. However, some travel between a temporary workplace and home may not qualify for relief if the trip made is ‘substantially similar’ to the trip made to or from the permanent workplace.

‘Substantially similar’ is interpreted by HMRC as a trip using the same roads or the same train or bus for most of the journey. **HMRC will expect you to be attending different places of work on a regular basis for travel expenses to be claimed.**

Some people do not have a permanent/normal place of work but work at a succession of places for several days, weeks or months. These are often referred to as site-based employees.

A site-based employee's travel and subsistence can be reimbursed tax free if the period spent at the site is expected to be, and actually is, less than two years or where the time spent there is more than 40% of a contractor's time. There are rules to prevent manipulation of this facility through recurring temporary appointments. **Travel claims for work under SHP to temporary places of work will usually be permitted allowances as will travel from one workplace to another.**

Car Parts & Toll Fees

Using the same methodology as above, it is likely that these expenses will be permitted allowances **if you are required to travel from one workplace to another or to a temporary place of work and incur toll fees in doing so or where your vehicle suffers a mechanical breakdown in the course of business use. You would need to keep a log of your business miles, total mileage and date to claim an allowance for a proportion of car parts etc.**

Uniform

If you have an item of clothing that is essential to carry out your contract such as branded uniform, this is usually classed as an allowable expense. It is not permitted to claim for clothing that has a dual purpose – i.e. could also be worn in everyday situations. **Uniform supplied by SHP is normally a permitted allowance.**

Training

Providing that the training course is wholly and exclusively relevant to the performance of your duties then you can claim this as an expense. **Training supplied by SHP is normally a permitted allowance.**

Meal allowance (subsistence)

You can only claim meal costs whilst you are working at a **remote site, away from your normal place of work**, or when staying away from home overnight, but daily, round sum claims for meals are not permitted. **Subsistence claims for work under SHP will not usually be permitted allowances unless you provide a receipt (and retain original) up to the maximum of £5 per day (in London).**

Overnight Expenses

The cost of **hotel or bed and breakfast accommodation** can only be claimed as an expense, as can the reasonable cost of additional meals taken in conjunction with overnight accommodation. There are no set allowances for accommodation but the cost must be deemed to be 'reasonable'; this also applies to the cost of meals. Costs incurred at your normal place of residence or whilst working a night shift are not claimable. **Accommodation claims for work under SHP will not usually be permitted allowances.**

Capital Allowances

You can claim capital allowances on items that you keep to use in your business - these are known as 'plant and machinery'. **Capital Allowance claims for work under SHP will not usually be permitted allowances.**

Telephone, Office & Equipment

Items that are normally used for less than two years. You cannot claim for any non-business use of phones or other office resources. Normally allowable claims are for phone, mobile, fax and internet bills, postage, stationery, printing, printer ink and cartridges. **Telephone, office and Equipment claims for work under SHP will normally be permitted allowances so long as they are wholly in relation to the business use.**

Others

Please refer to HMRC guidelines.

Further reading: https://www.contractoruk.com/limited_companies

Travel & Subsistence: <http://www.watts-gregory.co.uk/uploads/literature/BusinessTravelandSubsistence/index.htm>

Mileage rates: <https://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances/travel-mileage-and-fuel-rates-and-allowances>

Uniform: <https://www.gov.uk/tax-relief-for-employees/uniforms-work-clothing-and-tools>

Travel, Overnight Expenses and Workplaces:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685996/490_0418_final.pdf

Capital Allowances: <https://www.gov.uk/government/collections/capital-allowances-hmrc-manuals>

Telephone, Office & Equipment: <https://www.gov.uk/expenses-if-youre-self-employed/office-property>

**Please send all expense claim forms to
expenses@smartheartpro.co.uk**

Where possible, expense claims will be processed and will reflect in your next payment.

SmartHeart Professionals Ltd. will make reasonable effort to screen your claims in line with HMRC guidelines, however the ultimate responsibility will remain with you to ensure that all expenses claimed are in line with HMRC guidance.

SmartHeart Professionals Ltd. will not be held liable for any errors or incorrect claims or non-allowable claims made by you.