



EXPENSES GUIDELINES

General Rules

Expenses must be incurred "**wholly, exclusively and necessarily**" for performing your duties of employment".

If there is a personal element attached to the expense it should not be claimed (i.e. the line rental on your mobile phone bill if you use the phone for personal calls).

For some expenses e.g. subsistence we do not need to be sent receipts provided the claim is within our guideline figures.

For other expenses such as, mileage, hotel bills, taxi costs, public transport etc **we do need to receive the actual receipt/tax invoice to verify the amount being claimed or to cover the cost of fuel.**

Collecting receipts helps ensure that you are 100% HMRC Compliant and won't be hit with any unexpected tax bills.

Each time you complete a timesheet you will want to consider whether you have allowable expenses to claim. If you do, please complete the mileage or receiptable expenses claim form, print it off and send it to us attaching any relevant receipts to:

ADDRESS.....

Payquest Group

16-18 Kirby Street

Farringdon

London

EC1N 8TS



Examples of Expenses include:

Travelling expenses

- You can claim 40p a mile for the first 10,000 miles in a tax year and 25p thereafter in respect of travelling to and from clients. You need to send us fuel receipts to verify that you have purchased fuel for the journey.
- Carrying passengers in a car (who are also employees of Payquest) you can claim 5p per mile.
- You can also claim for parking and congestion charges **with receipts**, and toll charges **with a receipt where one is available**.
- The full cost of travelling on public transport (including first class travel) can be claimed.
- Motorbikes can claim 24p per mile and bicycles 20p per mile.

Subsistence (meal costs)

- If you are staying in a hotel or B&B then reasonable food costs added to your bill can be claimed. If dinner and/or breakfast aren't included you can claim for these provided you keep tax invoices.
- Entertainment costs cannot be claimed.
- If you are staying in rented accommodation food costs can't be claimed.

If you are working away from our office then the following subsistence claims can be made WITHOUT producing a receipt/invoice:

- If you are required to leave your home prior to 6.00am, actual breakfast costs up to a maximum of £5 can be claimed. **If however you do this on a regular basis (e.g. if you work early shifts) you are not entitled to claim breakfast.**
- If are required to be away from your home/normal place of work for at least 5 hours then actual lunch costs up to a maximum of £5 can be claimed.
- **If you are away from home for more than 10 hours** then actual expenditure on a **meal or two meals** may be claimed up to a maximum of £10 per day.

The maximum you could therefore claim without providing receipts for meals would be £15 per day for breakfast plus lunch and dinner. You cannot claim for meals made at home.



Accommodation

- If the travelling time to your job is excessive (or it's cheaper to stay overnight) then the full cost of hotels or renting a home can be deducted provided you keep tax receipts and you are not renting out your normal home while working away.
- You can also claim for additional council tax and gas/electric bills.
- If you stay with a friend reasonable contributions can be claimed (A receipted bill would be required for all claims).
- You can claim £5 per night if working away or £10 if overseas for Personal Incidental Expenses (PIE's).

Other Expenses

- Postage and Stationery
- Telephone calls – business calls can be claimed from an itemised bill. No contribution towards line rental can be claimed
- Special or Protective Clothing, that is required for your job (and what you could not reasonably wear out of hours).
- Equipment (Only the cost of equipment that is required for your current contract only can be used to reduce your tax liability).
- Professional subscriptions (The cost of fees and subscriptions to professional bodies or learned societies.)
- Eye test and Glasses/Contacts (The cost of eye test and glasses/contacts if your job requires the use of a computer) *Maximum of £50 per claim.
- Training costs and equipment (The training must be specific to the contract you are working on).

Please note it is your legal responsibility to only claim for valid expenses. All expense claims, along with receipts will be validated by our Payroll team and filed for future potential review by HMRC.

The 24 month rule governing the right to claim expenses

This rule says that a place cannot be a temporary workplace if the employee's attendance is:

- in the course of a period of continuing work at that place lasting more than 24 months, or
- if it is at a time when it is reasonable to assume that it will be in the course of such a period.



The "reasonable to assume" test means that the parties need to take account of changing circumstances. If an employee is sent to work at a place to perform a task which is expected to take 20 months (and which is therefore of limited duration), and which does in fact take 20 months, it will be a temporary workplace throughout. However if there are delays which mean that the task will in fact take more than 24 months the place will cease to be a temporary workplace **from the point when it becomes known that the 24 month limit is going to be exceeded**. That could well happen even before the original 20 months point is reached.

Conversely, if a task is expected to last for 30 months that workplace will be a permanent workplace from the start. If it should turn out that the task will in fact take less than 24 months the place will become a temporary workplace **only from the point when the change of duration becomes known**.

For further information regarding claiming for expenses please visit the HMRC website:

<http://www.hmrc.gov.uk/manuals/eimanual/EIM05231.htm>