



EXPENSES HANDBOOK 2018-19

The SmartWork Expenses Handbook is a comprehensive guide to what can be claimed as a legitimate business expense. The expenses policy follows guidelines set out by Her Majesty's Revenue and Customs (HMRC), and is fully compliant with current legislation. Our company policy is designed specifically to prevent our employees from suffering any financial loss during the course of their duties and all tax relief available is claimed.

The fundamental rule for claiming a business expense is that the expense is actually incurred by you wholly, exclusively and necessarily in the performance of your duties of employment.

Supervision, Direction or Control

As of 6th April 2016, umbrella employee will no longer be able to offset their full range of expenses if they are under supervision, direction or control (SDC) or the right of. If there is genuinely no SDC you will be able to claim back to expenses at the end of the financial year.

If you are working via an umbrella company such as SmartWork you will need to assess your (SDC) status before you start your assignment in order to determine whether travel expenses will have tax relief applied to them or not.

To find out your (SDC) status you will need to complete a SDC questionnaire which can be found [HERE](#).

For the purposes of the agency legislation HMRC consider supervision, direction and control are best defined as follows:

Supervision (S) is someone overseeing a person doing work, to ensure that person is doing the work they are required to do and it is being done correctly to the required standard. Supervision can also involve helping the person where appropriate in order to develop their skills and knowledge.

Direction (D) is someone making a person do his/her work in a certain way by providing them with instructions, guidance or advice as to how the work must be done. Someone providing direction will often coordinate the how the work is done, as it is being undertaken.

Control (C) is someone dictating what work a person does and how they go about doing that work. It also includes someone having the power to move the person from one job to another.

How we can help

SmartWork will provide assistance at the end of the tax year to claim the tax relief due on expenses you would have previously claimed on a monthly or weekly basis. Mileage can be offset on a weekly or monthly basis where there is no SDC or where a worker is traveling from site to site.

Expenses can be submitted by visiting our [SmartPortal](#) (login details and instructions will be sent upon registration). SmartWork will then keep them logged to assist you with the claim at the end of the financial year.

You are also able to send in your expenses by post if preferred however you do so at your own risk. SmartWork cannot be held liable for damage, loss or theft of any documentation which has been sent in by post. Please post to the following address:

SmartWork.com Ltd, Whitefriars, Lewins Mead, Bristol, BS1 2NT

Mileage Rates

Type of vehicle	First 10,000 miles in a tax	10,001 + miles per tax year
Car	45p	25p
Motorbike	24p	24p
Bicycle	20p	20p

*These mileage rates also cover for wear and tear of your Vehicle

**Subject to SDC test with the only exclusion being for site to site based workers

Where there is no SDC, mileage can be offset on a weekly or monthly basis on an ongoing basis as it is not subject to the salary sacrifice rules. The only exclusion is for site based worker as you will be able to claim the mileage traveling from site to site only. For more information on this please speak to your Business Manager.

Required Driver Documentation

Under the SmartWork Health and Safety policy, all employees using cars for business use must have the following valid documents:

- Valid driver's licence
- Valid MOT Certificate
- Insurance Certificate – insurance endorsed for business use

SmartWork may require you to provide evidence of having business insurance at any time and that my failure to do so will result in you no longer being able to receive reimbursement of business travel.

Congestion Charges & Parking

These are claimable at the end of the financial year and should be submitted to as they are incurred via the SmartPortal.

Public Transport

If travelling by public transport to and from your role you can claim these at the end of the financial year. This includes:

- Trains / Tube
- Taxis
- Buses

Subsistence

You are able to claim subsistence purchased during your working day based on the following guidelines:

Breakfast	£5	Claimable before 6.00am and purchased 90 minutes before your working role commences.
1st Meal	£5	Claimable if you work at least 5 hours per day in your working role
2nd Meal	£10	Claimable if you work at least 10 hours per day in your working role
3rd Meal	£15	Claimable if working over your agreed contracted hours and past 8pm

*Alcohol will not be considered as a subsistence expense

*The above includes travel time

It is vital that you are honest about the monetary value of your subsistence claims and the amounts given are accurate.

Only pre-packaged food purchased on the working day the claim relates to, after the qualifying journey has commenced, is claimable. You are unable to claim subsistence for days not worked or subsistence purchased in volume for a period of time, food must be purchased on the relevant day it is being claimed for.

Travel Insurance

When undertaking work abroad, it is important you maintain the correct level of cover which will protect you during your working role. Once obtained, this is a valid business expense providing supporting receipts are kept.

If you would like further details of compliant travel insurance providers accepted by SmartWork, please contact your Business Manager directly.

Rented Accommodation

If you rent a property during and only for any assignment as it is more cost effective than a hotel, you can claim the associated costs relating to:

- Rent
- Council tax
- Utility bills (gas / electricity)

In order to claim for the rental costs of temporary accommodation, we recommend that you keep a copy of your full rental agreement which must contain the following documentation:

- Start date and expiry date
- Full address
- Contact details of Landlord/Supplier
- Full name and signature of Landlord/Supplier

If the rental costs are being distributed between others, or you have other names on your rental agreement, you are only able to claim for the costs you personally incur, not the full amount. If you are claiming rent as a tax-reducing expense, you are unable to claim for any other accommodation expenses unless it is in direct relation to your working role.

Hotels

You are able to claim up to £100 in Greater London and £85 elsewhere when staying in a hotel or bed and breakfast. A copy of the receipt should be uploaded to the SmartPortal to keep on file for your records (ideally a VAT receipt).

Overnight Allowance

You can claim Personal incidental expenses for overnight stays (receipts are not required) away from your usual place of residence for work purposes:

- £5 overnight expense when in the UK per night
- £10 overnight expense when staying outside the UK per night

Eye Test and Glasses

The full cost of an eye test can be claimed (no more than 1 test per annum).

If you are required to wear glasses in the performance of your duties, you can claim up to £100 towards the cost of one pair (per annum).

If you are required to wear glasses for a percentage of your duties, you can claim up to £50 towards a pair of glasses or contact lenses

Telephone

Line rental or mobile contract is not allowable as it is your personal responsibility to pay this however the cost of the calls can be claimed

Professional Subscriptions

Annual subscriptions paid to certain approved professional bodies are allowable, however we must receive details. For a full list of HMRC's approved subscription, please visit www.hmrc.gov.uk/list3/index.htm.

Training and Tuition

Before commencing any training or tuition, please contact your Business Manager to confirm if it will be an allowable expense. Whilst on the training course you can claim associated cost such as overnight stay, travel and subsistence.

Protective Clothing, Tools and Specialist Equipment

The cost to provide tools, protective clothing or specialist equipment essential for your business duties can be claimed as a business expense. Daily work attire and office clothing will not be considered.

Office Stationery

The cost of stationery or postage incurred are allowable where they were purchased in order to conduct company (providing they were not supplied by the end client). Again we recommend you keep the receipts for your own records to support the claim.

Business Entertainment

In exceptional circumstances we are able to claim business entertainment expenses. Please enquire with your Business Manager for further guidance.

Year End Expenses Claim

Those deemed not to be working under SDC will be assisted with claiming expenses at the end of the tax year via the completion of a P87 form or if the expenses exceed £2,500, reclaiming the tax relief via a Self Assessment tax return.

It is important that you continue to submit expenses on a **regular basis** via the SmartPortal as this could mean you do not receive the maximum tax relief available to you.

It is key that you keep a record of all of your receipts to support your claim

All receipts must have the following details clearly legible:

- **Date of purchase**
- **Amount of purchase**
- **Company name**
- **VAT number if applicable**
- **Description of goods/service provided**

If the above items are not found on the receipt please document the details.

Receipts should be retained for a period of six years, copies of the receipt can be submitted via the SmartPortal.

24 months Rule

If you expect your contract to exceed 24 months, or if your contract does exceed 24 months you **must cease** claiming your travel expenses to and from your temporary workplace.

The 24 month rule applies to subsistence as it does with mileage, if you know you will be working at the same work place for 24 months or longer you will no longer be able to claim this an allowable expense.

If you have any queries about any of the content in this document or require further guidance, please contact your Business Manager

Useful Contacts

Freephone: 0800 434 6446

Tel: 0117 311 9800

Enquiries@SmartWork.com - For information on our services.

Invoicing@SmartWork.com - To submit timesheets/expenses.

Contracts@SmartWork.com - To submit contracts, schedules, and other legal documentation.

Holidays@SmartWork.com - To make a holiday request.

Pensions@SmartWork.com - To find out more about our automatic enrolment scheme through The People's Pension