



Expenses Guide

Mileage

General Principles

This guide gives you an overview of the type of employment expenses which HMRC consider qualify for tax relief and how to claim. To qualify:

1. You must not be under supervision, direction and control (SDC) of the end client (or any other person) and you have confirmed that this is the case
2. You must have agreed that submitting mileage claims on a weekly basis is the right process for you
3. The expense must be incurred wholly, exclusively and necessarily in the performance of your duties
4. You do not expect to work at the same site for more than 24 months.
5. You must intend to work at more than one site during your employment with PayStream

Additional note: if you are classed as a 'Mobile Worker' (please skip to section 1 if this does not apply to you) Mobile workers tend to work in lots of different places during the course of an assignment. If the way in which you work means that you are a Mobile Worker, you are entitled to claim tax relief for certain journeys which you incur in fulfilling your duties even though you may be supervised directed or controlled:

Mileage expenses incurred when travelling to and from your home to your regular workplace is ordinary commuting and you can't claim tax relief on this cost.

If you have a regular workplace but you are sent by the same client to work temporarily at another location (known as detached duty travel or inter-site travel) you may be able to claim for mileage incurred in travelling to that temporary workplace. An easy way to look at this is that you will be allowed tax relief in the same way as a permanent employee on the site would if he was sent to a temporary workplace. For a workplace to qualify as temporary it:

- Must not be attended more than 40% of your time
- Must not have a regular pattern e.g. you travel there once a week/once a month
- Must be a significantly different journey to your journey to your main workplace
- Should not be somewhere you will or intend to travel to for more than 24 months

More information and examples can be found [here](#).

You can use the PayStream Expense Portal or the PayStream Phone App to store details of your expenses and copies of your receipts so you will have all the information to hand when it comes to making a claim to HMRC.

Travel and Subsistence claims between your home and regular place of work are not permitted. This is because you are deemed to be supervised, directed or controlled on a day to day basis.

Other expenses may be allowable provided they are incurred wholly, exclusively and necessarily in the performance of the duties of your employment. To claim these expenses you will generally need to submit a claim to HMRC in order to secure tax relief.

There are some expenses that may be claimed through PayStream depending on the details of your assignment.

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What can I claim through PayStream?

Expenses may only be claimed where we are satisfied that the claim can legitimately be reimbursed without deduction of tax and national insurance. Receipts must be provided to support your claims.

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Mileage

Mileage can be claimed for all business related travel where you are obliged to travel to and from a temporary place of work.

For those working as a Mobile Worker you can only claim mileage for inter-site travel and not travel for travelling to your regular workplace.

Below are the different mileage rates available to claim from HMRC:

Vehicle Type	First 10,000 miles per tax year	10,001+ miles per tax year
Car	45p	25p
Motorbike	24p	24p
Cycle	20p	20p

VAT receipts are required to process mileage claims and should be uploaded or sent in with your signed documents. The receipts provided must show that enough fuel has been purchased to cover the mileage claim.

A copy of pages 1 and 2 of your Vehicle Registration Document (V5) should be supplied as evidence of ownership of the vehicle. Generally, mileage can be claimed only where your own vehicle is used. However, in some instances, where you bear the costs connected with a vehicle which is not registered in your name, mileage may still be claimed. Please contact our Customer Care Team for further information.

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All other expenses

Other non-mileage related expenses may be allowable provided they are incurred wholly, exclusively and necessarily in the performance of the duties of your employment. To claim these expenses you will need to submit a claim to HMRC in order to secure tax relief. If you are being reimbursed for non-mileage expenses by your end client or agency, please contact our Customer Care team.

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Other forms of business travel (e.g. train or bus)

If you have used any other means of travel such as a train, for a journey between your regular workplace and a temporary workplace or between your home and your temporary workplace you should keep a copy of the receipt.

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Other costs incurred in business travel

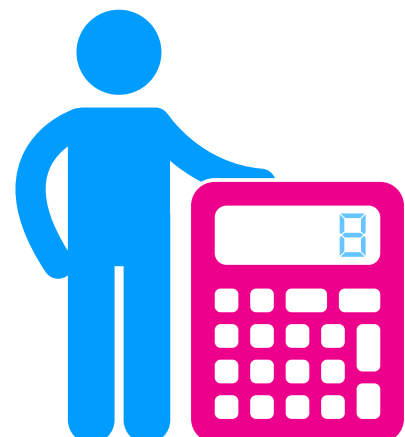
Obtain receipts and record the details of any other related costs such as car hire/fuel, parking, tolls etc.

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Hotels & Subsistence (Meals)

You may also be able to claim the actual cost of meals and overnight stays if you have to stay away from home if you are working away from your regular workplace at a temporary workplace. You should record these expenses on the portal and upload your receipts.

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General Expenses claimed through HMRC

You may be able to claim tax relief directly from HMRC for the following employment expenses.

Uniforms, work clothing and tools

- Buying, repairing or replacing small tools you need to do your job
- Cleaning, repairing or replacing specialist clothing e.g. a uniform or safety boots
- Alternatively you can claim a 'flat rate deduction' agreed by HMRC with different occupational sectors. You don't need receipts to claim this if it applies to you. Details can be found [here](#).

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Working at home

If you have to work at home on a regular basis you can claim up to £6 per week. This is regarded as covering the cost of things like business telephone calls or the extra cost of gas and electricity for your work area at home. You don't need to provide receipts for a claim like this – just record it on the portal.

If you want to claim more than £6 per week you will need to record the details and keep receipts. Remember that you can't claim for things that you use for both private and business use, e.g. rent or mortgage payments or broadband access.

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Professional fees and subscriptions

You can claim for fees or subscriptions you pay to approved professional organisations which have been approved by HMRC. Please record the expense and retain the receipt.

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Computer hardware / software

If you have to buy substantial computer equipment in order to do your work, e.g. a laptop, providing that it is used wholly, exclusively and necessarily in the performance of the duties of your employment you may be able to claim the whole of the cost as an expense. Again you will need to record the expenses and retain the receipt.

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Identifiable cost of business telephone calls

Business calls are allowable for tax purposes but you will need to obtain itemised bills with that type of call highlighted in order to formulate a claim to HMRC. You will need to evidence the business calls on the bill and record the expense.

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How can I claim?

Successful Claim

The key to making a successful claim to tax relief for employment expenses is that it must pass the legal test of having been incurred wholly, exclusively and necessarily in the performance of the duties of the employment and should be capable of being supported by evidence of that expense, so don't forget to retain receipts.

You can use the PayStream Expenses Portal to record these expenses (and use it as a storage area for your scanned receipts). You can access your [online portal here](#).

Any non-mileage claims that have not been relieved during the year can be claimed on a P87 or tax return at year end along with your other receipted expenses.

When you are ready at the end of the tax year, you can ask PayStream to send you the data from which you can prepare your detailed claim for HMRC.

PayStream's tax claim service

You can sign up to the PayStream Tax Claim Service and we will collate, check and submit the appropriate claim on your behalf. For more details of this service please email:

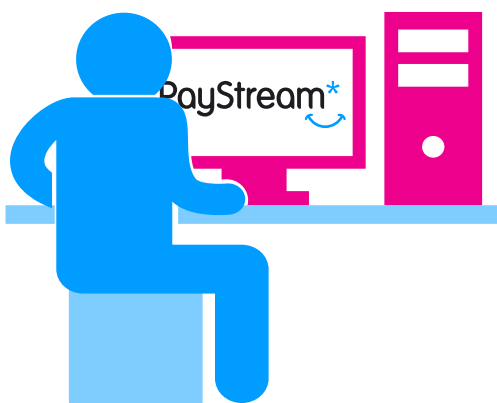
tax@paystream.co.uk

If you have a salary sacrifice pension arrangement with PayStream and you claim expenses, your gross pay will be lower than if you didn't claim expenses. This limits the amount that you can sacrifice for a pension contribution. Instead, you may want to consider claiming tax relief for your expenses via an HMRC P87 form or your Self Assessment tax return.

Alternatively you can make a P87 claim directly to HMRC if the value of your expenses is less than £1000 or £2500 for professional fees.

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