

Business Expenses

Who can claim business expenses?

It is probably useful to explain first of all who can claim expenses and who can't. To claim business expenses you must be working at a temporary workplace.

For this to be the case the following must apply;

- **you must have a reasonable expectation that you'll be working more than one assignment through Nasa Umbrella**
- **You have not been, or do not expect to be, at the same client site for more than 24 months**

So in plain English - if you expect to, or would consider working for more than one assignment through Nasa Umbrella - then you can claim expenses from day one.

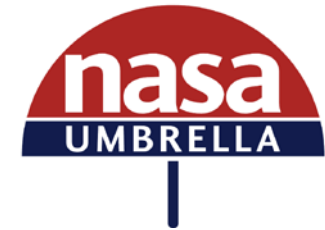
However if you only plan to work for one assignment (i.e. a temp to perm role), or if you have exceeded, or expect to exceed 24 months at your current client, then you won't be able to claim expenses for tax relief, until you agree another assignment.

Why does claiming expenses help me?

Claiming expenses helps to reduce the amount of PAYE tax and National Insurance that you pay on your income.

Most importantly – claiming expenses puts more money in your pocket!

When you claim expenses, you won't be reimbursed these costs on top of your salary. Rather you get what is called 'Tax Relief' on these costs. This means you won't pay any PAYE or NICs on the amount you claim.



A word of warning when claiming expenses...

HMRC state that only expenses that have been '**wholly and exclusively**' incurred in the course of your duties can be claimed. As a responsible umbrella company, Nasa Umbrella asks that you submit copies of receipts to us where required so we can verify that your claim is valid.

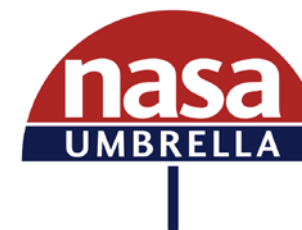
There are some instances, with subsistence claims for example, where you may not need to send your receipts to Nasa under the benchmark scale rate system. **However, you must still keep your receipts as you will remain liable for your claim.** You can also submit receipts for your subsistence claims if you wish. This ensures no come back from HMRC as all of your claims have been validated by Nasa.

If HMRC did audit you at any point, you will be responsible for any tax repayments due to non-valid expenses having been claimed. If you claim expenses and do not, or have not met the qualifying criteria then we may be required by HMRC to claim back the tax relief you received by the end of your employment.

2 What can I claim?

The table below summarises what business expenses you can claim, and which claims need receipts to be processed. Although not an exhaustive list, it does cover the vast majority of expenses that are allowable to umbrella company employees.

| Category | Expense Item | Receipt? |
|---------------|----------------------|----------|
| TRAVEL | Mileage | YES |
| | Public Transport | YES |
| | Taxi | YES |
| | Bridge/Tunnel | YES |
| | Parking | YES |
| SUBSISTENCE | Benchmark Rates | NO |
| | Over Benchmark Rates | YES |
| ACCOMMODATION | Hotel/B&B | YES |
| | Rental Property | YES |
| TELEPHONE | Mobile or Landline | YES |



| | | |
|-----------------------|-------------------|-----|
| BROADBAND | Business Line | YES |
| HOME OFFICE | Working from Home | YES |
| EYE CARE (VDU) | Eye Test | YES |
| | Glasses frames | YES |
| | Lenses | YES |
| STATIONARY | Paper, pens etc | YES |
| POSTAGE | Postal Costs | YES |
| TRAINING | Courses, CPD etc | YES |
| SUBSCRIPTIONS | Professional Subs | YES |
| SUNDRY | Laptop, phone etc | YES |

Following is a more in depth list as to what expenses can be claimed through Nasa Umbrella.

TRAVEL

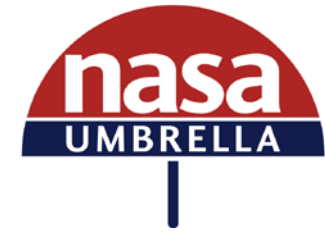
Business Mileage

If you travel by car between home and your workplace, you can claim a mileage allowance for tax relief. The rate is set at £0.45p per mile for the first 10,000 mile per tax year. Once past this threshold the claimable rate reduces to £0.25p per mile.

The rate for using a motorcycle is £0.24p per mile and if you are using leg power and cycling to work, you can claim a generous £0.20p per mile!

The rates are shown in table format below;

| Vehicle | Distance | Rate per mile |
|-------------|-----------|---------------|
| Car or Van | 0- 10,000 | £0.45p |
| | 10,000 + | £0.25p |
| Motorcycles | | £0.24p |
| Bicycles | | £0.20p |



Copies of fuel receipts WILL be required and any claims made without supporting receipts will not be processed.

NB the mileage allowance resets each financial year in April. So if you have exceeded 10,000 miles, once the new tax year starts, this resets to zero and you claim £0.40p once again for tax relief.

Public Transport

If you use public transport to get to your workplace, you may claim this for tax relief.

Nasa will need to see a copy of any tickets or receipts at point of purchase in order to process these claims.

Oyster Cards

Oyster cards may also be claimed for tax relief. To prove this cost you will need to submit either a receipt for when you top up your Oyster card or an online statement from TfL. This can be obtained through your online portal at TfL (<https://oyster.tfl.gov.uk/oyster/entry.do>).

You may also claim any associated costs in travelling to work for example any road, bridge or tunnel tolls - with a valid receipt.

Taxis

Taxi costs for travel between home and workplace or on behalf of your client can be claimed for tax relief. A supporting receipt will be required for each claim.

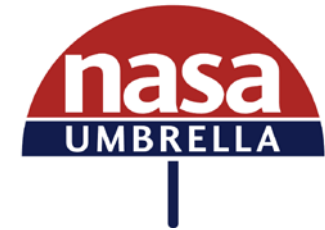
Bridge/Tunnel Tolls

If these costs are incurred on your journey to and from work, they are claimable. Please provide proof of purchase where possible.

However we appreciate that it may not always be possible to obtain this.

Parking

Parking charges can be claimed with a valid receipt/ticket for the period being claimed.



SUBSISTENCE

HMRC state that 'we eat in order to live not in order to work'. They do however allow that the 'extra' cost associated with food and drink purchased whilst at work can be claimed for tax relief.

Nasa Umbrella operates a **Benchmark Scale Rate** system for subsistence under the terms of our dispensation with HMRC.

This system allows you to make a claim for subsistence costs without needing to submit receipts to Nasa Umbrella to support your claim – **as long as certain conditions have been met.**

Qualifying Conditions

- The travel must be in the performance of your duties or to/from your temporary place of work
- You are absent from home continuously for either 5 or 10 hours
- You have genuinely incurred a cost on a meal and/or drink after leaving home

Where the above conditions have been met, you may claim the following that apply to your situation;

5 Hour Rate - £5.00

A rate of up to £5 can be claimed where you have been away from home continuously for at least 5 hours **and** incurred a cost on a meal

10 Hour Rate - £10.00

A rate of up to £10 can be claimed where you have been away from home continuously for at least 10 hours **and** incurred a cost on a meal or meals

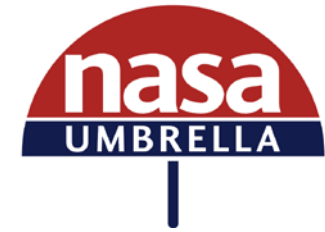
Allowances may also apply to breakfast and evening meals where costs are incurred as a result of irregular early starts or late finishes. **Where you start early or work late on a regular basis – these are not allowable.**

Breakfast Rate (irregular early starters ONLY)

A rate of up to £5 may be paid where you leave home earlier than usual, **and before 6 am** and you incur a cost on a meal away from home

Evening Meal Rate (irregular late finishers ONLY)

A rate of up to £15 may be paid where you may have to work later than usual, **finishing after 8 pm** and you buy a meal that you would usually have at home



Receipts

Whilst Nasa Umbrella may not require you to submit your receipts to support your subsistence claims under this system, we do recommend for strong compliance practices that you send copies to us with each claim. This ensures that you are 100% compliant with HMRC and if asked to prove your subsistence claims, you will have already provided receipts to Nasa so won't have to again.

HMRC don't allow 'packed lunches' or food taken from home to be claimed as an expense. If you purchase food during a weekly shop to take to work with you during the week, this is also not allowable. As such, if the above applies – you will not be able to claim the benchmark scale rates. As such, if the above applies – you will not be able to claim the benchmark scale rates.

Declaration

By claiming the Benchmark Scale Rates you are declaring that you have met all of the qualifying conditions outlined above and have retained a receipt to demonstrate that you have incurred a cost.

ACCOMMODATION

If your role is just that bit too far away and you plan on staying closer to work, some of the costs of this accommodation can be claimed for tax relief.

Hotel/Bed & Breakfast

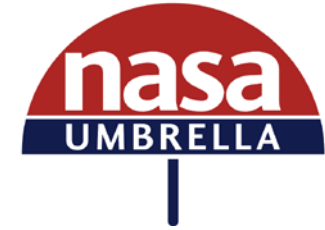
If you stay in a hotel or B&B during the week, then providing a receipt is produced you can claim these costs as expenses.

As you are away from home, you may also claim a £5 per diem expense cost for incidentals without the need to provide a receipt to Nasa.

Rented Accommodation

If you rent accommodation (room, flat etc) and return home each weekend, you may claim 5/7ths of the cost of the weekly rental cost for tax relief. We'd also need to see a receipt for each claim that you make.

If you completely relocate to be closer to your new place of work, you will be unable to claim the cost of accommodation for tax relief as this is deemed to be your primary place of residence.



OTHER EXPENSES

Business Telephone Calls

Any business calls made from your personal mobile phone or landline can be claimed for tax relief. We would need to see an itemised bill with the business calls highlighted and the total amount to be claimed imputed into the expense claim form.

Postage & Stationary

Postage and stationary costs are claimable when working from home and valid receipts must be provided.

Working from Home

If working from home, a £3 per week allowance can be claimed.

Staff Training

You may claim the cost of your training courses if an absolute requirement for your current role through Nasa Umbrella. To claim you will need to provide a receipt for the full cost of the course and a covering

letter from your client stating that the course is essential to your current assignment.

Professional Subscriptions

HMRC allow you to claim the costs of professional subscriptions to many bodies. They are listed as approved organisations and the list can be found here at HMRC's website:

<http://www.hmrc.gov.uk/list3/list3.pdf>

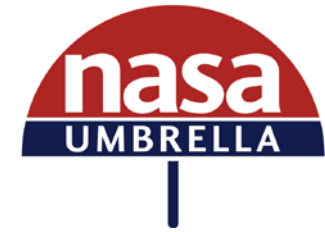
Eye Tests for VDU users

For those using VDUs, a sight test may be claimed up to the value of £15 as long as a valid receipt is provided.

Glasses – Frames & Lenses

Where you may be required to purchase glasses for VDU use, the cost of both frames and lenses are claimable for tax relief.

These items will need to be claimed on your expense form and a receipt for the purchase will be required.



Sundry items (Laptops, phones etc)

As part of your role, you may need to purchase computer hardware/software, or other capital items to carry out the works. As long as these costs meet certain criteria, they can be reclaimed for tax relief through Nasa Umbrella Ltd. The criteria that must be met are:

- The items must be by law wholly, necessarily and exclusively for your work. **You will require a statement from your client to confirm this.**
- If the client authorises this as necessary expenditure to carry out your work, you will need to obtain a receipt for the purchase of the item, which must be sent to Nasa Umbrella with a completed expense claim form.
- You will then receive tax relief for the value of the item, however as Nasa Umbrella then becomes owner of the asset, we are required to deduct a 10% security deposit by HMRC.
- As such, Nasa Umbrella will withhold 10% of the value of the item which is what we will retain if you wish to keep the item after the contract is finished. This is the 'buy back' value of the item.