

## NOVA EXPENSES GUIDELINES FOR PSC EMPLOYEES

Each week you will be incurring business expenses. These expenses are deductible against your business profits and you obtain tax relief on them.

HM Revenue & Customs (HMRC) state that any expenses claimed must be incurred wholly and exclusively for the use of your trade/business. Your self-assessment requires a breakdown of the expenses that you have claimed and these will be sent to HMRC at the end of each tax year. If HMRC decides to review your individual case and rule that some of the expenses that you have claimed should be treated as taxable, you will have extra tax to pay.

The following information is to help you identify the various expenses you can claim when carrying out your duties for your business. Please remember that if HMRC were to check your claim, you would need to be able to justify the business nature of the expenses you have claimed.

### WHAT EXPENSES ARE PERMITTED?

#### (1) TRAVEL

**Please read the [IR35 INFORMATION SHEET](#) - it is very important that you understand this document. If you feel that IR35 applies to your circumstances, then you will NOT be able to claim for mileage allowances. If you need to discuss this in more detail then please contact us.**

Mileage allowances are claimable when travelling to and from your temporary place of work.

*For first 10,000 business miles travelled, the allowance is paid at 45p per mile then reduces to 25p per mile.*

Please show the start point and destination and the reason for the journey. Dates of travel and car details must be completed on each form. Please enter the daily mileage as accurately as possible without rounding up/down. This explains the business reason for the journey if HMRC wish to review your expenses. The start and end of the journey should be specific enough for HMRC to check the mileage using software such Google Maps, AA Routeplanner. Postcodes are ideally preferable.

## **Other Travel expenses**

- Public transport – tickets/receipts to be provided.
- Parking – tickets/receipts to be provided.
- Toll/Tunnel fees – tickets/ receipts to be provided.
- Satellite Navigation unit & accessories – are claimable if required for work purposes only. A cover letter is required to confirm this.
- Digital Tachograph – no proof required.
- Radar system which indicates traffic jams – claimable if required for work purposes only. A cover letter is required to confirm this.

## **(2) MEAL ALLOWANCES**

You are entitled to claim for meals taken during the course of your working day on the following basis -

- (a) £5 (capped) per day if you are away from your home or work for between 5 and 10 hours.
- (b) £10 (capped) per day if you are away from your home or work for over 10 hours.
- (c) £25 (capped) per day if you are away from your home or work for over 15 hours.

**Receipts are required for all expenditure**

### **IMPORTANT**

***Please note the above amount(s) are to cover the extra cost of eating away from home, and does not cover the cost of meals prepared at home. Shopping receipts are not acceptable. HMRC carry out 'compliance reviews' in which they check such evidence.***

## **(3) ACCOMODATION COSTS**

If in the course of providing your services you are required to stay away from home over night, then the cost of the accommodation is allowable. For example, if you have to night out with the vehicle and stay at a truck stop hotel. The cost is capped by HMRC at £34.90 per night.

This accommodation is not to be confused with temporary lodgings or B&B's which you return to, having completed your work for the day, which is not claimable.

#### **(4) DAILY ALLOWANCE**

You can claim a 24 hours allowance for incidental expenses when you stay away from your permanent address during the course of providing your services, such as spending a night out with the vehicle. This is paid at £5.00 per night away for stays in the UK and £10.00 per night outside the UK. This includes laundry allowances.

#### **(5) TOOLS AND CLOTHING**

- Must provide receipts and it must be safety or specialised workwear.
- Worker able to claim for a laptop with a receipt & covering letter stating for work purposes only.
- Worker unable to claim for a filing cabinet.
- Worker unable to claim for desk top PC.
- Worker unable to claim for office equipment and accessories such as a printer/fax/scanner/cartridges.
- Worker can claim for stationery with a receipt.
- Worker can claim for advertising his company with a receipt as proof of payment for the cost.
- A driver can claim for fridge for his lorry & a box that reduces the voltage of the fridge with covering letter.

#### **(6) MOBILE TELEPHONE**

- An itemised bill is required with all **business** calls highlighted with the total amount on the claim form. You can only claim for business calls that fall outside of a standard inclusive allowance. You cannot claim for pay as you go tariffs, top up vouchers, talk plans, or the actual purchase of a phone.
- Bluetooth headsets – you are able to claim with a covering letter advising that it is for work purposes only.
- A worker is able to claim for an in-car phone charger with a covering letter.
- If a phone is registered in another person's name, a covering letter is required to confirm this is the phone you are using for work. Business calls are allowable as above.

#### **(7) PROFESSIONAL AND COURSE FEES**

- You are able to claim these items with proof of payment, for example an invoice or the amount shown as deducted from a bank account statement.
- You can only claim for courses that are related to your current line of work. For example if a worker wants to claim for a course to qualify as a driving instructor as wants to change their line of work, they cannot do so until they have actually passed the course and are giving driving lessons.

## **EUROPEAN DRIVERS ONLY**

If you are working on an assignment in Europe, then you are able to claim the following instead of a Daily Allowance:

### **Overnight Accommodation Allowance**

Staying overnight away from your permanent residence:

- £26.20 if you are staying in your vehicle overnight, no receipt is required for this.
- £34.90 if you have a receipt for staying in a hotel.

### **European Driver Incidental Costs**

You can claim up to £10 per day as an allowance to cover items such as calls to home, paying for laundry and buying newspapers.

Please note this allowance is to cover actual costs incurred and supporting receipts will be required.



**Please submit your expense claims using the Expenses section on [www.nbsaccounting.co.uk](http://www.nbsaccounting.co.uk)**

To maximise your income you should send your expense claims to us on a regular basis, **preferably weekly**. When we receive your claim, we check it to make sure there are no errors or missing receipts, then the information is entered onto our system ready for the next available payment date.

**See the difference on your payslips**

Expenses are not reimbursed to your weekly income, instead they reduce the amount of your income that is taxable and so reduce the income tax and NICs that you pay. How much difference you see will depend on what rate of tax you pay, but for a basic rate taxpayer you would save 20% tax and 12% and 13.8% of the Employers' and Employees' National Insurance Contributions (NICs) respectively on the expenses.

**Send expense claims regularly**

To give us time to process your expenses, please submit them by 18:00 on Wednesday. If you send two or more weeks of claims together they may not be able to be offset all in the same week. In this case they will be carried forward each week until all the expenses have been allocated.

**Prefer paper? Then alternatively complete and send a paper expense form**

Please remember the following points when submitting your paper expense form.

- Complete ALL details on BOTH pages including name, Nova reference number, full dates and signature.
- Include all original VAT receipts for all items claimed.
- If you are faxing your claim, then all receipt copies **MUST** be supplied with the fax.
- Include all details on the mileage sheet: car details, destinations details and reason for journey, dates of journey – as in the example below.

MAKE	MODEL	REGISTRATION NUMBER
FORD	ESCORT	AB 06 ABC

DATE	End Client	Worksite	Postcode at the start and end of journey	Reason for Journey	No of Miles	£ Claimed
15/09/17	ASDA	Horbury	BD3 4NB – LS14 1AB	Bradford to Leeds & return (Home to work)	22	£9.90
20/08/17	TESCO	Aberdeen	AB3 2DE – LS14 1AB	Aberdeen to Leeds & return (digs to work)	632	£284.40

If you have any queries about your expenses please do not hesitate to contact us on 0844 209 0800. We will be happy to talk about completing the expense claim form and answer your questions.