



we

We Contract Expenses Policy
FOR UMBRELLA EMPLOYEES

CONTENTS

EXPENSES POLICY

WHAT IS THE SDC ASSESSMENT?

OTHER CLASSIFICATIONS

OTHER EXPENSES

TRAVEL

ROAD TRAVEL – USE OF PRIVATE VEHICLES

COMPANY VEHICLES – ALLOWABLE MILEAGE RATES

RAIL OR AIR TRAVEL

OTHER TRAVEL COSTS

OVERSEAS TRAVEL COSTS

ACCOMMODATION

PERSONAL EXPENSES

BUSINESS ENTERTAINMENT

PROTECTIVE CLOTHING

EYESIGHT TESTS

TOOLS AND EQUIPMENT

STATIONERY, PHONE, INTERNET, ETC.

TRAINING

PROFESSIONAL SUBSCRIPTIONS

CAPITAL EXPENDITURE

INCIDENTALS

HOW TO MAKE A CLAIM SUMMARY

EXPENSES POLICY

This document outlines the expenses you are allowed to claim as an employee working for We Contract. These guidelines will help ensure you are compliant with HMRC legislation.

In summary, there are two distinct categories of expenses: qualifying travel expenses i.e. the amount paid for travel which is necessary in the performance of duties by employees of We Contract, and other expenses incurred “wholly, exclusively and necessarily in the performance of the duties of the employee”. This means that no expense incurred for private or non-business purpose is allowable. Expenses will only be processed once you have accepted the terms of employment.

Any employee found to be falsifying any expense claim can face disciplinary action and will need to be reported to HMRC, therefore if you have any questions as to whether you can claim for an expense or what you can claim for, please ensure you speak with our operations team.

The amount and type of expenses that you can claim will depend upon your Employment Contract, your job role and whether or not you are subject to, or to the right of, supervision, direction or control (SDC) as to the manner in which you perform your duties. In any case each claim which you make is on the basis that it is not expected that your current assignment will be your last, and by submitting a claim for approval you understand that you are confirming the same.

WHAT IS THE SDC ASSESSMENT?

We Contract has taken time to create an assessment that adheres to HMRC guidelines and ensures an accurate conclusion as to whether you are eligible to claim expenses.

On speaking with We Contract, we may ask you a predetermined set of open ended questions that will be analysed to determine your SDC status. Alternatively you may be emailed the questionnaire to complete and submit online. We recognise that you may speak with us before you begin working so it will then be followed up by We Contract 2 weeks later, once you are in your role, to ensure the SDC status given at the time of onboarding is correct.

WHERE YOU ARE NOT SUBJECT TO, OR TO THE RIGHT OF SDC:

Where we have confirmed to you that in your current assignment you are not subject to (or to the right of) SDC, you are able to claim for any work-related mileage. For fully re-imbursed expenses that your agency / client have allowed you will need to ensure that your initial claim is completed online at www.we-contract.com and ensure you use your phone to capture images of your receipts to support claims in order for these to be processed tax free. Without such evidence they will be subject to tax. We will only accept original, genuine or scanned receipts. Each claim which you make is on the basis that it is not expected that your current assignment will be your last, and by submitting the claim for approval you understand that you are confirming the same. You should also keep the original receipt for any future audit.

WHERE YOU ARE SUBJECT TO OR THE RIGHT OF SDC

The Finance Bill confirmed that tax relief on travel and subsistence would be removed for temporary workers that are subject to Supervision, Direction and Control (SDC) from April 2016. Where we have confirmed to you that you are subject to SDC only certain mileage expenses can be claimed. This means that you are only able to claim for ‘site to site’ mileage, I.E you are unable to claim from home

to work. If the expenses claimed in a particular week exceed the amount of funds available to We Contract to meet your employment costs, the excess will not be reimbursed in the same week, but may be carried forward on the same assignment only and paid from in future weeks if funds are sufficient.

OTHER CLASSIFICATIONS

“DEPOT” BASED WORKERS

If you start your working day by attending a client depot or base and from there receive instructions on your work and journeys for the day, journeys to/from the depot may be claimed, but not your journey to/from home to the depot or base.

“MULTI-SITE” WORKERS

If you travel to multiple client sites during a day, but are not required to attend a depot or base, journeys between client sites may be claimed, but not the first journey of the day from home to the first client site or the last journey home from the final client site.

“SITE-BASED” WORKERS

Different rules apply to site-based workers. If the client requires you to work at various sites during an assignment, but there is no certainty at the outset of the assignment which sites you will attend, you may be regarded as a site based worker such that your journeys to/from home to client sites can be claimed.

OTHER EXPENSES

In 2016, HMRC made changes regarding the expenses that you are able to claim.

If your agency fully reimburses your expenses then the below can be processed as tax free by We Contract. If your agency is not reimbursing these expenses then only mileage is claimable through We Contract with all other allowable expenses claimed via a P87 form.

If you are required to complete a P87, it will be up to HMRC’s discretion as to whether any Tax relief is given on these. We Contract has no influence on this decision.

These sections detail business related expenses based on current tax legislation and the specific regulations defining tax deductible expenses. Please contact us if you have any questions about expenses.

TRAVEL

Only qualifying travel expenses are allowable and as mentioned dependent on your SDC status. These are mileage costs that employees are obliged to incur in performing their duties as employees.

We will require these expenses to be submitted by email, or by completing an expense claim form along with a copy of the claim to your agency where applicable. Receipts supporting these expenses must be retained and supplied where appropriate.

HMRC specifies that travel to and from a site is an allowable expense if the period of time at the site is expected to be no more than 24 months, which includes any time spent on-site prior to the current assignment. This is classed as a temporary workplace, as opposed to a permanent

workplace. Travel costs relating to commuting to and from a permanent place of work and private travel are not claimable.

If at any time the assignment is extended beyond 24 months, no further travel to and from the site is tax allowable from the point at which it becomes known that attendance is to extend beyond this period.

If for example We Contract agree a 30 month assignment from the outset, no expenses can be claimed against the assignment as it is classed as a permanent workplace from day one. The same rules apply to any subsistence and accommodation costs.

One exception to the above principle is where the worker works on more than one site in the course of a single assignment that is expected to be for more than 24 months. Travel between the sites is an allowable expense. Also, if you spend less than 40% of your time at any related site other than the one deemed to be your permanent place of work and you travel directly to that site from home or lodgings, that travel expense is allowable.

Regardless of whether your workplace status is permanent or temporary, travel in the ordinary course of business (not commuting) is allowable.

ROAD TRAVEL – USE OF PRIVATE VEHICLES

An employee may claim a cost per mile for allowable business journeys in his or her own vehicle. There is a distinction between the first 10,000 miles in any tax year and any subsequent miles. The HMRC approved rates that may be claimed are as follows:

Type of Vehicle	First 10,000 miles	10,000+ miles
Car or Van	55p per mile	25p per mile
Motorcycle	25p per mile	24p per mile
Bicycle	20p per mile	20p per mile

All employee's using their own vehicle are responsible for ensuring they have the appropriate insurance to drive the vehicle in respect of business use.

The following expenses are only allowance if the agency is fully reimbursing you for the expense, these are known as 'client billable expenses':

SUBSISTENCE

If an agency is reimbursing a worker for subsistence while working they will usually follow the HMRC benchmark scale rate. These apply when the worker is travelling during the performance of their duties to a temporary place of work, they are out of the house for either 5 hours or 10 hours, and have incurred a cost on a meal after starting the journey.

We will require a receipt per day for each day subsistence is being reimbursed.

ACCOMMODATION

If an employee's travel costs qualify as allowable, then the cost of hotel accommodation for nights spent away from home on business may also be claimed.

The cost of maintaining a rental property is also allowable provided that the use of the property is necessary for business purposes and a permanent residence is being maintained elsewhere. Where

rental property expenses are claimed we may ask for evidence of ongoing costs at your home location. Secondary utility bills such as council tax can also be claimed for the rental property, however other utility bills such as electricity, water and gas can only be claimed as secondary costs if your primary residence remains occupied.

Where a rental property is not used exclusively for business purposes, the proportion of costs relating to the period of private usage is not allowable. In such cases, it will be necessary to determine the appropriate split of private and business usage and claim only for the business use.

DRIVER OVERNIGHT ALLOWANCES

Any reimbursed driver overnight allowances must be consistent with the amounts agreed between the RHA and HMRC and may only be reimbursed as client billable expenses.

BUSINESS ENTERTAINMENT

The cost of entertaining clients or anyone else is not allowable.

PROTECTIVE CLOTHING

The cost of the upkeep, repair and replacement of protective clothing and uniforms is allowable where the employee's duties require such items to be worn.

EYESIGHT TESTS

The cost of eyesight tests is allowable. If glasses are required as a result of the test, then the cost is also allowable if the prescription is specifically for work computer use. If it is a general prescription for general use the element which relates to computer use is allowable.

TOOLS AND EQUIPMENT

The cost of the upkeep, repair and replacement of tools and equipment is allowable where these items are wholly, necessarily and exclusively used in one's work – no element of personal use of tools or equipment is allowable.

Whether or not a particular tool or piece of equipment is classed as work related, and therefore allowable, depends on the particular circumstances of each assignment.

STATIONERY, PHONE, INTERNET, ETC.

The cost of stationery, postage, printing, photocopying and phone calls, etc. is an allowable business expense, provided that these are wholly, exclusively and necessarily incurred in the performance of the duties of employment, and provided that receipts or other documentary proof is made available. Allowable costs may include telephone calls made from home and mobile phone costs. Again, each item of expenditure must be business-related and an itemised bill highlighting business calls should be provided. The cost of submitting weekly hours and expense claims by email or post is not allowable. The cost of line rental of a personally owned telephone, or mobile is not reclaimable.

No claim can be made for the costs of personally subscribed broadband facilities, as these as these packages are a fixed cost irrespective of the level of use so there is no additional cost of business use.

TRAINING

The cost of an employee's work-related training courses is an allowable expense and must be supported by an invoice or receipt. This is restricted to genuine training which an employee would NEED to improve or reinforce existing knowledge and skills, which will prove useful to an employee when performing his or her duties or advancing his or her career. If the training is not linked to existing income and/or it is to gain new skills, then this is not classed as a deductible expense. If you are under SDC then you will submit these expenses to HMRC via a P87 form, which We Contract can help you complete.

PROFESSIONAL SUBSCRIPTIONS

The cost of subscription fees payable to professional bodies is usually allowable in accordance with the role and where it is a statutory condition of employment. Please check the HMRC website for up-to-date details of allowable subscriptions.

INCIDENTALS

Other expenses not specifically identified above may be allowable, depending on individual.

HOW TO MAKE A CLAIM

On our website you will find an Expenses Claim Form where you will also be able to detail your mileage and other expenses. When completing the Expense Claim Form, please attach original receipts for each entry in order for your claim to be accepted.

Claims should be sent in every week and only relate to the days you actually work and will be verified by our expenses team upon receipt of your timesheet. If there are a limited number of claims then monthly submission is acceptable.

In order for your claims to be processed, your signed expenses form and receipts must reach us by 10am Wednesday of the week you are due payment. The form must be completed correctly by you as the employee. Please note if the forms are completed incorrectly then they will be returned to you and the claim will not be processed that week. If any claims are received after Wednesday they may not be processed in time for your payment.

Claims made that are found to be falsified will result in disciplinary action against you. For further information on the disciplinary procedure please see the employee handbook.

SUMMARY

Please note that all expense claims must be fully supported with relevant documentation and receipts. We Contract take our role as your employer seriously and anything not permitted by HMRC will be automatically disallowed. We also conduct frequent expense audits for complete compliance. If you are uncertain as to whether or not you should claim an expense, please do not hesitate to contact us. You can speak to us on the telephone or via email.

Also note that, if any allowable expenses were not claimed during your employment with We Contract, then the tax relief can be claimed directly from HMRC via a P87 form. Please also contact us for the detail on how to do that.