



Claiming Expenses

Claiming expenses is the single biggest way you will benefit financially from working through an umbrella company. The more (legitimate) expenses you claim the less tax you pay and the more income you take home - in the region of 40% of the total expenses that you have claimed.

Keep it legitimate

It is vitally important to say that your expenses must be legitimate. HMRC state that "expenses must be incurred wholly, exclusively and necessarily in the performance of your duties". This is something we take seriously here at NumberMill because we have your interests at heart.

HMRC can at any time review your expenses and if they are deemed not to have been incurred in the performance of your work duties then you may be liable for additional tax, and possibly charged with fraud. That is why when working through NumberMill you are in safe hands. To help protect you, where receipts are required we require either original receipts or scanned copies for all expense claims, (fuel receipts for mileage if held). Any expenses that arrive without original or scanned receipts will be rejected as will any expenses that do not meet the HMRC guidelines. Please review the HMRC website to be sure that you only claim legitimately.

Which items require a receipt with the claim?

Below is a quick guide advising which expenses need accompanying proof of purchase to be uploaded or attached with your claim and which expenses do not:

	Receipts should be supplied with the expense form	Receipts do not need to be supplied with the expense form but must be kept for your records and may be required on request
Mileage		
Travel		
Meals/subsistence		
Overnight Accommodation		
Tools/Clothing		
Telephone		
Professional associations		
Agency Expenses		

The two icons are also shown on the expenses form to assist when completing your expenses.

Whether receipts are supplied to us or not, you should always retain a copy for your own records. Please ensure all receipts are fully itemised, credit/debit card receipts are not acceptable, unless they clearly show full details of the expense incurred.



So what expenses can you legitimately claim?

Mileage: You may claim a mileage allowance if you use your own vehicle for travelling to and from work.

Travel: Other travel costs incurred in the process of carrying out your duties.

Meals: If you are away from home for a certain number of hours you may be able to claim meal expenses.

Accommodation: You can claim for accommodation if you are staying away from your normal permanent address during the course of your work.

Tools\Clothing: You can claim for industrial tools and safety wear that is solely for your use at work.

Telephone (fixed line or mobile): You can claim specifically for business calls, not private calls or line rental.

Professional associations: If you belong to a professional body you may find that your fees and subscriptions are allowable legitimate expenses.

Expanded expense categories

Mileage: You may claim a mileage allowance if you use your own vehicle for travelling to and from work.

Write the destination (Town or Post Code) and reason for journey, dates of travel and car details on each form. If you have receipts for the fuel used, please supply these with your claim (as a guide, you will need receipts for about £13 for every 100 miles claimed). The receipt should be dated not more than a month before the date travelled. All filling stations can provide VAT receipts therefore please ask for them.

- Mileage allowance for cars and vans is paid at a higher rate for the first 10,000 miles travelled during the tax year and at a lower rate above 10,000 miles - currently 45p per mile and 25p per mile respectively.
- A lower rate of mileage allowance is paid for motorcycles, currently 24p per mile.
- You can even claim mileage for riding a bicycle to work, and that is currently 20p per mile.
- Mileage allowance covers license and insurance, servicing, tyres, spare parts, oil etc., as well as fuel.
- We may ask for a copy of your registration document when you claim mileage as proof of ownership.

Travel: Other travel costs that can usually be claimed (with receipts) are: Ferry costs, Bus Tickets, Taxi Fares, Tube and Train Tickets, Parking Costs, Plane Tickets, Toll Charges, Congestion Charges.

Meals/subsistence: Please be aware that you are not allowed to make a claim for supplies included in your normal household food shop. All meals/food must be bought during the time spent at work or travelling to and from work. Whilst NumberMill doesn't require the receipts with each claim, you should retain the receipts at home for periodic audits.

One meal (5 hour) rate: If you are away from home for over 5 hours you will be able to claim a fixed rate of £5.00.

Two meal (10 hour) rate: If you are away from home for over 10 hours you will be able to claim a fixed rate of £10.00 for meals.

Breakfast rate: If you leave home exceptionally early, which is before 6am, you may claim £5 for breakfast, but again this only applies in unusual circumstances. This would **not** apply if your usual pattern of work requires you to leave before 6am; you may only claim this in unusual circumstances.

Late Evening Meal: If you occasionally finish work late, which is after 8pm, you may be able to claim for the cost of a meal at a fixed rate of £15.00. This would **not** apply if your usual pattern of work requires you to work beyond 8pm; you may only claim this in unusual circumstances.

Check if yours is allowable on HMRC's website: <http://www.hmrc.gov.uk/manuals/eimanual/EIM05232.htm>

Overnight Accommodation: You can claim for accommodation if you are staying away from your normal permanent address in the course of your work. We must have a receipt that includes the hotel/B&B's name, address and telephone number (preferably a VAT-registered business with the receipt supplied on headed paper). You are entitled to the cost of the room per night, please be aware that we do monitor these costs and you are therefore encouraged to shop around for the most reasonably priced accommodation. You may also claim up to £25.00 in respect of evening meals, but receipts must be provided. You may also claim £5 per



night for incidental expenses which would include such items as a newspaper, toiletries, laundry or a telephone call home.

Tools/Clothing: You may claim for industrial tools that are solely for your use at work and clothing that relates to safety wear (such as fluorescent jackets and steel toe-cap boots). VAT receipts must be included for these claims. You may also claim for the cost of laundering protective clothing. You also need to provide receipts for these.

Telephone (fixed line or mobile): You can only claim for business calls, not private calls or rental. Highlight each business call on your itemised bill and include the original bill (NOT a photocopy) when you send us your expense claim. If you use a pay-as-you-go mobile phone and pay top-ups, you must still provide an itemised bill if you wish to claim for business calls.

Professional associations: If you belong to a professional body, you may find that fees and subscriptions are allowable expenses.

Check if yours is allowable on HMRC's website: www.hmrc.gov.uk/list3/list3.htm

Agency Expenses: You can claim agency expenses via the portal but you must provide all original receipts and a copy of the agency expense log. These expenses can only be claimed once - either through the agency or using the NumberMill expense claim form.

Is your 'workplace' permanent or temporary?

One key question concerning your entitlement to claim for the cost of business travel is that your workplace must be classed as 'temporary'. It can be defined as a temporary workplace if it is a place where you go in the course of your employment to carry out a short term assignment.

However, your workplace will be a permanent workplace if

- You work there continuously for a period that lasts, or is likely to last, more than 24 months. The 24-month test is applied from the start date of the contract. For example, an assignment at a workplace that began on 1 January 2013 will fail the 24-month rule if it is expected to run on until after December 2014 at the same workplace. And even if you do not expect at the start to be at the workplace for 24 months, it becomes a permanent workplace if circumstances change so that your total time at the workplace is expected to exceed 24 months.
- You expect to work at the same workplace throughout your employment with NumberMill, for example, if you join NumberMill expecting to work at a single site for six months and then to leave NumberMill that site will be treated as a permanent workplace.

If neither of these points applies, your workplace should be treated as a temporary workplace and you may claim the cost of business travel.

Help us process your claim quickly

- Complete all the necessary details.
- Include original or scanned receipts for all items/accommodation as explained above and ensure that you put your name and worker id on it.
- Include all details on the mileage sheet (car details, destination, reason for journey, dates of journey, worksite).
- If you do not have internet access for the online portal, ensure you submit an expense claim form with your receipts.

Incomplete claims will be rejected or delayed and you will lose the benefit.

Get the financial benefit

All the above expenses payments are considered to be allowable by HMRC, and are therefore paid free of tax and National Insurance deductions.

Will NumberMill ask for additional supporting documents?

To ensure you are in safe hands, NumberMill will periodically and randomly audit expenses to ensure they are being claimed in accordance within HMRC rules and our expenses policy. If selected, NumberMill may at times



request further supporting documents, such as, copy timesheets, mileage logs, MOT certificates, insurance certificates and receipts for any meals/subsistence claims.

NumberMill will send you an email explaining that you have been selected for the audit and will detail the period we are auditing along with the next steps required by you.

Do I have to participate in the audits?

HMRC require us to carry out the audits to ensure all employees who are claiming scale rate subsistence are claiming within the rules. If you are unable to provide the supporting documents, you should contact NumberMill immediately.

What are the rules for claiming scale rate subsistence?

Scale rate subsistence is paid as a set amount, based on qualifying conditions, regardless of the actual cost incurred. Therefore, whilst NumberMill doesn't require the receipts with each claim, you should retain the receipts safely at home. The qualifying conditions are:

- you must have travelled to a temporary place of work or in the performance of your duties
- you should be absent from your normal place of work or home for a continuous period in excess of five hours or ten hours
- you should have incurred a cost on a meal (food and drink) after starting the journey

What happens if I am unsuccessful in an audit?

If you are unsuccessful during your 1st audit, NumberMill will email you and advise you of this, we will then support you to ensure all future claims are made within the rules set by HMRC and give one final opportunity to be successful in a future expense audit.

If you are unsuccessful during your 2nd audit, you will become subject to disciplinary action, NumberMill may also revoke your entitlement to claim expenses.

All payments of expenses under this policy are entirely at the sole discretion of NumberMill.

Any Questions? If so, please call **0333 121 2001** and our Operations Team will be happy to answer them.