



Tax Relief for Working from Home

Employers who agree for some of their employees to work from home, for example, due to the demands of early family life, are able to get tax relief for the payment of certain household expenses and the employee will also receive them tax free.

The following costs to perform their employment duties can qualify for the tax benefits mentioned above:

- Additional internet access
- Additional contents insurance
- Additional metered utilities
- Additional telephone calls (excluding line rental)

An expense claim will normally be required to support the additional costs but if this is too onerous, then a scale rate of £3 a week from 6 April 2008 (previously £2 a week) can be paid without the need for any supporting records.

In some very specific cases, the employee will be required to work from home as a necessity to do their job rather than by choice. Where the employer does not reimburse the additional costs, the employee can claim a direct tax deduction in their personal tax returns. Examples of costs that can be claimed include:

- Secretarial assistance
- Furniture and fittings
- Postage and stationery
- Computer equipment

Receipts and records will be required to support the claim in the tax return but, as above, the alternative is to claim a scale rate of £3 a week

If you would like to know whether a claim for household expenses will be tax free or will qualify for tax relief, please contact Mark Sheen at mrcs@barlow-andrews.co.uk or Tim Lwin at tl@barlow-andrews.co.uk.