

PAYROLL VILLAGE

**EXPENSES POLICY FOR TEMPORARY WORKERS
PAYE MAXI**

November 2012

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Introduction

This document sets out the Company's policy in relation to expenses that you may incur in the course of your duties as an employee of the Company.

Under no circumstances are you permitted to claim tax relief on expenses which are incurred on behalf of another employee. Expenses must be claimed by the employee who has incurred the expenditure and in accordance with the procedures detailed below.

Employees are expected to adhere to these guidelines and behave with honesty and integrity when making a claim for business related expenses. If employees are found to have not acted in accordance with the policies contained within this document, they may be subject to disciplinary procedures.

This edition is valid from November 2012 and the Company reserves the right to make periodic changes to this policy as required. Any amendments will be circulated at the appropriate time.

Temporary Workplace Rules

The Company will allow you to claim expenses that are incurred in order to attend a "temporary workplace". A temporary workplace is defined by Her Majesty's Revenue and Customs (HMRC) as being a workplace which is not your permanent workplace when working for the Company, where you intend to work for less than 24 months and which you will attend for less than 40% of the total period of your employment. When you start work with us and on each change of assignment we will ask you a series of questions to confirm if your assignment location can be defined as a temporary workplace. If it can, you can claim expenses for the cost of travel to your workplace and for the cost of any food and drink (subsistence) that you purchase between setting off to work and getting back home again.

If you become aware that your assignment will last longer than 24 months, it will be your last assignment for Payroll Village or that during your employment with Payroll Village you will have spent more than 40% of your working time at the one location, you must notify us immediately.

Record Keeping – Using an Adviser

When claiming tax relief in respect of your expenses it is very important that you keep full records of the amount of your expenses and that you only claim what can be allowed. To help you with this we recommend that you appoint a suitable adviser.

One adviser that we recommend is Biel Consultancy Limited who can be contacted at 0207 537 6601. However, you are welcome to appoint your own adviser if you prefer. Unfortunately, if you are not able to show sufficient information to confirm the eligibility of your expenses and their amount we will not be able to accept your expenses claims. This is why it is important that you appoint a suitable adviser.

If you have a query in relation to the deductibility of expenses, which is not covered within this policy, it is recommended that you contact Biel Consultancy Limited or your appointed adviser in the first instance.

Income tax and National Insurance Contributions (NIC)

Any allowable expenses are deducted from your gross pay figure before the amount of Income Tax and NIC that you have to pay is calculated. This will lower the amount of tax and NIC that you have to pay and so your take home pay will increase. For a detailed explanation of which expenses can be claimed you should seek advice from your adviser. A brief summary is provided below.

Expenses which can be recognised for tax purposes

The company will allow claims for expenses which include mileage (if you use your own vehicle), travel costs and actual subsistence costs.

Mileage

You may claim a mileage allowance if you use your own vehicle for travelling to and from a temporary workplace.

Business mileage can be claimed at HMRC's Approved Mileage Rates. The current rates are as follows:

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Note that these rates are designed to cover fuel, servicing, insurance and all other running costs which must not be claimed in addition.

You may only use a private vehicle for business travel if you have fully comprehensive insurance cover which specifically includes use for business journeys. Biel Consultancy Limited may ask to see a copy of your insurance, MOT certificates and registration documents.

Other Travel

Other travel costs in relation to journeys to and from work can be claimed where the mode of transport is the most appropriate and/or cost efficient and where the workplace is temporary. For example, ferry, rail, air, bus, taxi and tube costs can be claimed. Please note that where an oyster card is used a claim will only be accepted when accompanied by a printout indicating the business journeys and their costs. Where you purchase a season ticket only the proportion of the ticket cost which is used in respect of travel to a temporary workplace can be claimed. Receipts or tickets must always be provided with your claim.

Parking costs (but not fines), congestion charges and tolls can also be claimed. Receipts must always be provided with your claim.

Subsistence

Subsistence is the name given to the amount that you spend on food and drink. Daily subsistence expenses can be claimed when it is necessary to work away on company business, but only where the workplace is temporary. All subsistence claims must correspond to a business journey, whether or not a travel expense claim is made in relation to that business journey.

This means that an expense must be incurred on the day of travel and not in advance of the date of travel and means that you cannot claim subsistence expenses for lunch box items which you purchased on a different day.

We will allow actual subsistence costs where you have incurred the cost of meal(s) within the UK. To claim subsistence you must detail what you have purchased each day and provide receipts to prove your expenditure.

Telephone

If you make business calls using your home or mobile telephone you are entitled to claim the actual cost of such calls. You must attach to your claim, the original telephone bill with business calls highlighted. The Company will not allow for the cost of any part of the line rental of a home telephone or the costs of any private (non-business) calls.

The Company will undertake periodic checks to ensure that you are claiming reimbursement for business calls only. Employees should keep adequate details of business calls to allow the Company to check on the accuracy of claims made.

Professional Fees and Subscriptions

The Company will allow claims for the cost of annual subscriptions or fees to certain professional bodies where the Company considers that membership of the organisation in question will enhance your effectiveness in performing your duties, or where it is a requirement of the profession that you are a member of in order to perform the duties of the employment.

The professional body must be included on HM Revenue and Custom's approved list which can be found at www.HM Revenue and Customs.gov.uk/list3/index.htm

Overnight accommodation

Where you are working at a temporary workplace which necessitates your staying away from home, you may claim reasonable costs associated with accommodation. Receipts must be provided showing the full name, address, telephone number and VAT number of the provider.

Tools and equipment

You may claim the cost of small tools and equipment solely used for your work. You must provide receipts for all items purchased.

Safety Wear and Designated Work Wear/Uniforms

Where your duties are such that you are required to wear protective clothing or safety wear such as high visibility jackets, overalls, steel capped boots etc., or you are required to wear designated work wear or uniform which can be considered wholly, necessarily and exclusively necessary for your work the costs can be claimed. You must provide receipts for all items purchased.

Training

The Company will allow claims for work related training costs. This includes not only direct job related training but also training in health and safety and to develop leadership skills. This is part of a tax exemption which also includes learning materials, exam and registration fees. Travelling and associated subsistence incurred whilst attending the course can also be claimed. You must obtain authorisation before incurring the expense and provide receipts to prove your expenditure.

Recording of expenses

All expense claims must be made to the Company on a weekly basis on a company approved expense claim form. If you use an adviser they may do this for you but you will still be responsible for the validity of the claim that is made. Biel Consultancy Limited or your appointed adviser will explain what information is required before they can submit a claim on your behalf. This will be crossed reference with information the Company holds to assess the reasonableness of such claims. If the claim is not received in time, is incomplete or if you do not provide the receipts needed we will not be able to process the claim. We will let you know if this happens.

Claims must be received by Monday in order that the expense claim may be processed for the payroll payment on the following Friday.

The Company will undertake audit checks to ensure that expenses claimed are in accordance with this policy and that receipts are provided where required, and will expect employees and their advisers to cooperate with this.

Where any fraudulent claim is established you may be subject to disciplinary action as detailed in the Payroll Village Employee Handbook.

Receipts

For all items, other than mileage, you must produce a receipt to prove your claim. The receipt should show VAT as appropriate.

Sometimes you may not be able to get a receipt for what you have purchased because, for example, you have bought it from a vending machine. If this happens you should note on your claim form that no receipt was available.

Credit card vouchers and statements, or photocopies alone are insufficient for the purposes of receipting.