

## **Coronavirus (Covid-19) – claiming home-working expenses**

Normally claims for tax relief for unreimbursed home-working expenses would only be eligible for tax relief from HMRC if a staff member worked from home on a regular basis under a formal arrangement agreed by the University (i.e. those who work at home on a voluntary, ad-hoc, basis would be ineligible to claim).

However, HMRC has said it will consider claims for tax relief on expenses (unreimbursed by employers) from individuals working at home due to Coronavirus measures, if their usual workplace is closed.

### **What type of costs can I claim tax relief on?**

HMRC guidance confirms that you may be able to claim tax relief for some of the bills you have to pay because you have to work at home on a regular basis due to travel restrictions imposed as a result of Coronavirus or self-isolation.

You can only claim for things to do with your work, for example, business telephone calls or the extra cost of gas and electricity for your work area.

You cannot claim for things that you use for both private and business use, for example, rent, council tax or broadband access.

### **How much can I claim tax relief on?**

From Monday 6 April 2020 (the start of the new tax year) you can, in simple terms, claim tax relief on a flat rate of £6/week (prior to this date the rate was £4 per week).

You can claim tax relief on more than £6 per week if you consider your actual home working costs are higher, but HMRC will require you to provide records and receipts in support of the increased costs and the time taken to process the claim may take longer to complete.

### **What is meant by tax relief and how much can I expect to receive if HMRC approve my claim?**

The impact of a claim is the tax savings. Tax relief means that you get tax back that you have previously paid on the salary you earned, which you have used to purchase qualifying expenses related to your job (in this case, job-related home working expenses).

The amount you claim is deducted from your taxable income. Your tax code will likely be adjusted so you pay less tax over the year, as opposed to you receiving a direct refund (refer to the question below 'How do I claim the tax relief').

Therefore, in order to claim, you must have taxable income and have paid income tax during the relevant tax year.

The tax relief you get will be based on the flat rate of £6 per week (or potentially on a higher figure, if applicable) and the rate at which you pay tax:

#### **Claim for tax relief on £6/wk:**

You pay tax at 19% - worth £1.14 p/w in tax relief

You pay tax at 20% - worth £1.20 p/w in tax relief

You pay tax at 21% - worth £1.26 p/w in tax relief

You can check which rate you pay tax at based on your annual earnings here:

<https://www.gov.uk/scottish-income-tax>

**Example** £6 x 24 weeks = £144 and pay tax at a rate of 20% in that year, the tax relief you can claim is £28.80.

### How do I claim the tax relief?

If you normally file a self-assessment tax return, you can include a claim on your tax return. For everyone else, you will simply need to complete a P87 form. This can be done through an [online P87 form](#) through your Government Gateway account if you have one, or by filling out a [postal P87 form](#).

You'll be asked for your employer's name and PAYE reference (which you can find on your payslip or P60), and your job title. For postal P87s, you'll also need your national insurance number. The key section for completion is titled 'Using your home as an office' (illustrated below). Assuming you're not eligible for tax relief on other job-related expenses, leave them blank.

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## Tax year 2019/2020

### Using your home as an office

If you work from home on a regular basis, you may be able to claim tax relief on the money you've spent on business telephone calls or the extra cost of gas and electricity for your work area.

You can't claim for things that you use for both private and business use, such as rent or broadband access.

Do you want to claim tax relief on expenses from using your home as an office?

Yes  No

Amount paid by you

£

Amount repaid to you by your employer

£

Total expenses from using your home as an office: £ 0.00

In the online form, there are two boxes:

- **'Amount paid by you'**. HMRC has confirmed that provided you've had increased costs, just put a total amount that's equivalent to £6/wk for the period you've been working from home - you won't need to provide receipts.
- **'Amount paid to you by your employer'**. This will be £0.

If you're claiming through the postal form, you'll need to add a 'Using your home as an office' expense manually in the 'Other expenses' section.

Your claim is retrospective on expenses incurred. So, if you're only working at home due to Coronavirus, it's best to wait until you're back at work (or a few months anyway) then make the whole claim at once. Your tax code will likely be adjusted so you pay less tax over the year, as opposed to you getting a direct refund.

Once you've submitted the claim, if you do it online you may hear back within a couple of weeks. However, given current circumstances and pressures, it may take HMRC longer to action.

**Who do I contact if I need more guidance or information?**

Please contact [HMRC](#) to discuss your specific queries and circumstances.