



Chartered  
Institute of  
Taxation  
Excellence in Taxation



**Taxation of employee expenses: call for evidence**

**CIOT and ATT Survey results**

**10 July 2017**

## Background

HM Treasury issued a call for evidence on 20 March 2017 to better understand the use of the income tax relief for employees' business expenses, including those that are not reimbursed by their employer.

While the last government said it had no plans to remove the relief on employee expenses, the cost of expenses is a significant consideration for businesses, employees and HM Treasury alike.

The main objectives of the call for evidence are to understand:

- if the current rules or their administration can be clearer and simpler (the call for evidence responds to the Office of Tax Simplification's (OTS) review of employee benefits and expenses which recommended a policy review of the expenses system to re-establish some general principles and ensure these are in line with current employment practices and government policies);
- whether the tax rules for expenses are fit for purpose in the modern economy (the main principles behind the current tax rules for expenses were introduced in the mid-nineteenth century); and
- why the cost to the exchequer of the tax relief for expenses which are not reimbursed has increased (the government wants to know what drives the cost of this relief to understand the impact on the exchequer over time and ensure the relief is being used in the way it was intended).

To meet the objectives of the call for evidence outlined above 17 questions were posed covering the evidence the Government would like to gather in the following areas:

1. current employer practices on employee expenses;
2. current tax rules on employee expenses; and
3. the future of employee expenses.

To better inform the CIOT and ATT responses to the call for evidence we sought the views of members (and others) with an interest in employee expenses (e.g. tax professionals and advisors, employers and employees).

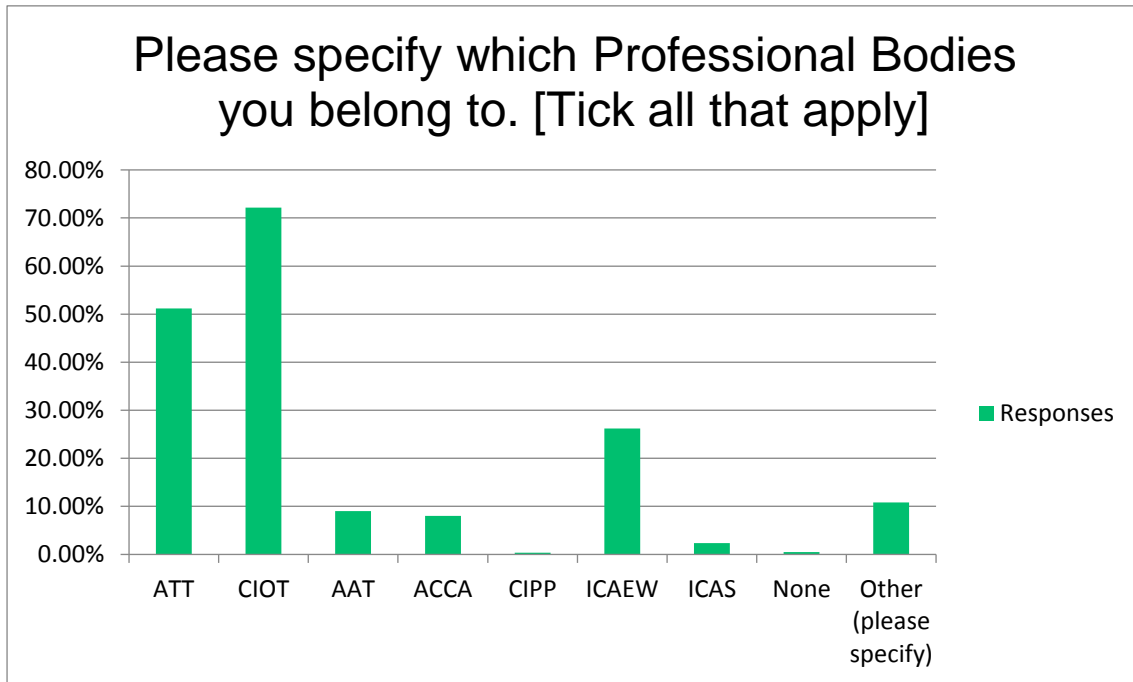
**Analysis of results of the CIOT and ATT survey**

This report is based on the results obtained a CIOT and ATT member survey, devised by the CIOT and publicised in conjunction with the ATT.

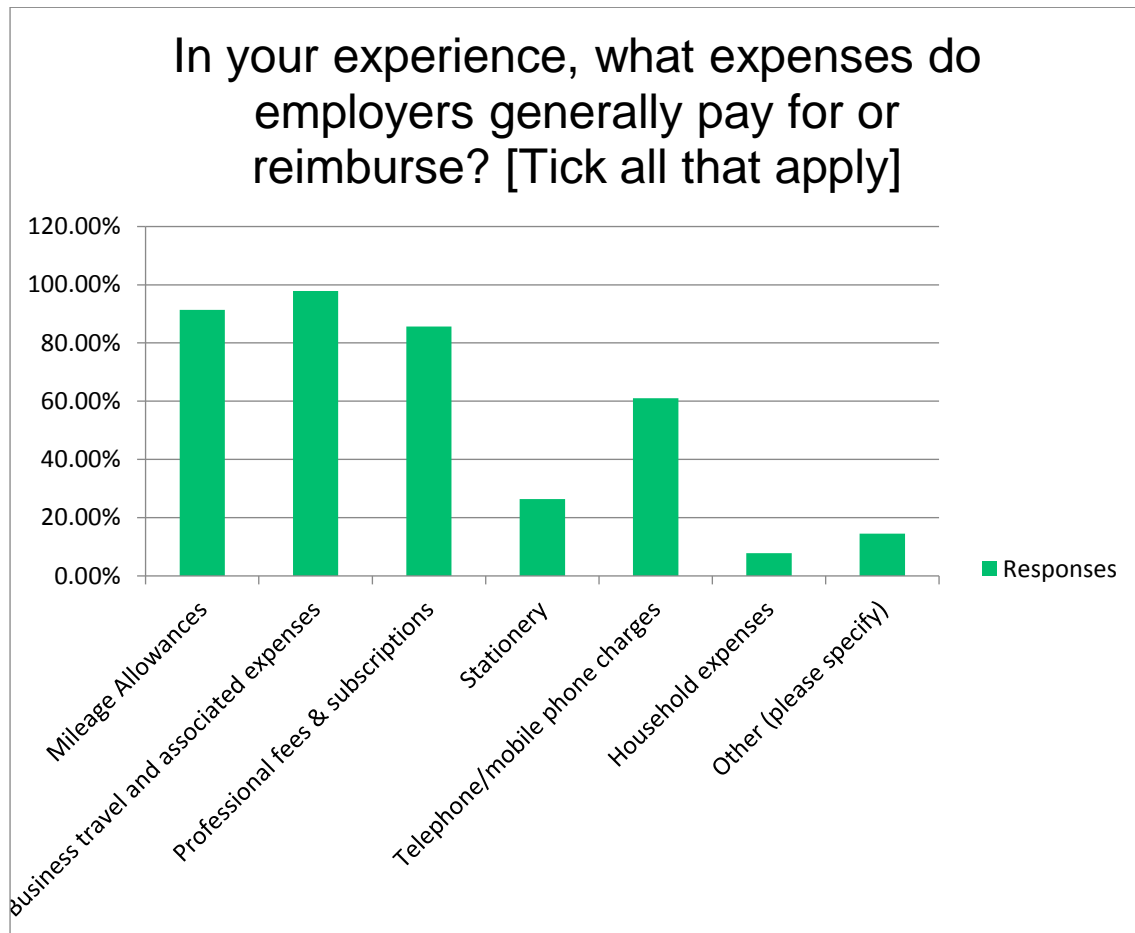
There were 34 questions included in the CIOT and ATT survey covering the 3 areas, and 17 questions, noted above that the Government was gathering evidence on.

The resulting analysis includes answers from all respondents who took part in the survey between 2 June and 20 June 2017. 600 completed responses were received to the survey during this time. A number of specific comments were received and these are set out verbatim. The CIOT and ATT do not necessarily endorse or support them.

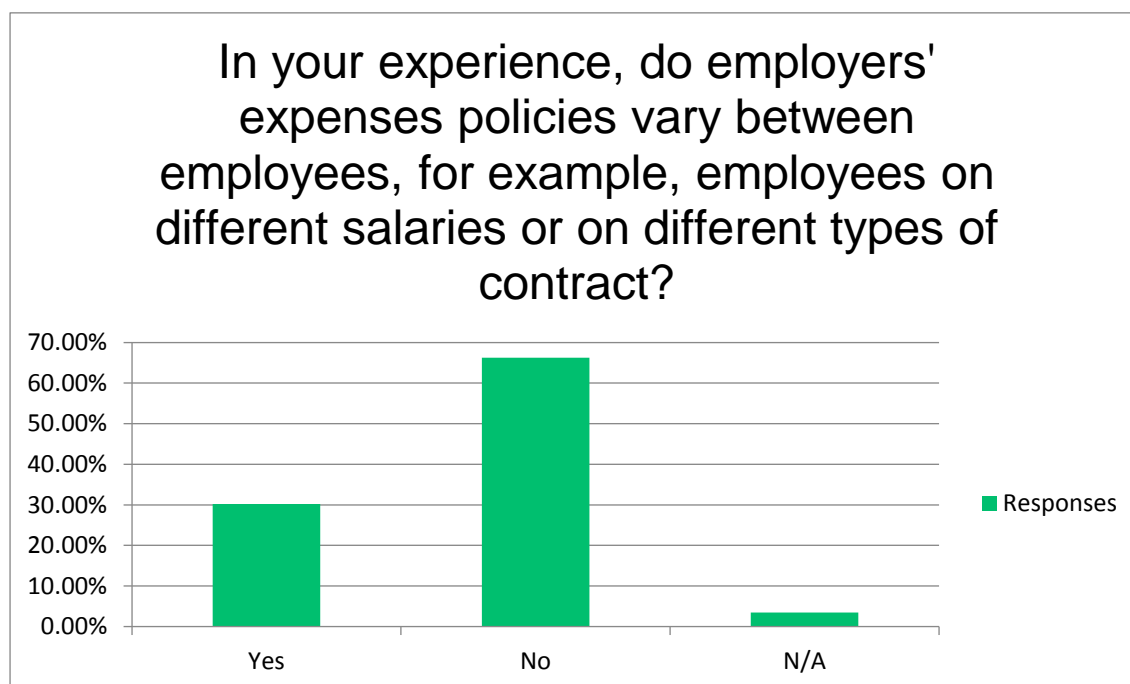
Q1 indicates the bodies to which those completing the survey belong. These include the CIOT, ATT, AAT, ACCA, CIPP, ICAEW, ICAS, STEP, ICAN, IATI, ACMA, ICS, CIMA, AIA, CISI, Bar Council, IAB, CPAA, ICSA, CAI, IFA, ICAI, SRA, CII, Law Society, IOP, IFS, FTA, ILM and CIPFA.



Q2 provides details of the most common expenses employers generally pay or reimburse. These include business travel and subsistence, mileage allowances, professional fees and subscriptions, business landline/mobile phone charges, stationery, household expenses, staff and third party entertaining, broadband costs, office incidentals including IT expenditure and other petty cash costs plus consumables and tools and equipment, laundry, protective clothing and protective equipment costs, training courses, other business expenses met by directors (e.g. capital equipment), relocation costs, late night taxis and overnight accommodation.



Q3 indicates that generally there is no significant variation in employers' practices, but in cases where there is this may arise because of the sector, individual employer or because of different types of employee working for the same employer.



Examples from respondents on variations in practice include:

- Corporate employees get one mileage allowance and carers get a lower mileage allowance
- More expensive hotels sometimes available to very senior employees
- Some employers do not pay professional subscriptions at all whether connected to the workplace or not
- Homeworkers and expats/secondees expect to get more generous expense policies than the norm
- As a contractor at the moment, I am employed by a recruitment/employment services company and assigned to a host employer. For many purposes I am treated as though I were an employee of the host company, but the direct employees of the group get their professional subs reimbursed whereas I don't.
- Yes, varies by employee grade i.e. hotel or travel class cost limits are higher for senior employees, only managers or above may reclaim employee lunches/entertaining etc, employees provided with a company car are not entitled to reimbursement for business mileage.
- Where a car allowance is provide a reduced mileage claim is available
- Owner managed businesses often have different 'policies' for the owners and their employees.
- Doctors have large claims
- They tend to distinguish between travel to/from home offices and travel to/from other offices. You might also find the standard of hotel is higher for more senior employees, but the same sorts of expenses are generally covered
- IT depends on the owner as to whether they reimburse or not
- Any variations would be very minor, for instance whether you pay the 5p per mile passenger supplement on mileage, whether you demand receipts to back up mileage claims, etc
- Different treatment of people with a company car compared to a car allowance.
- There is more leniency towards more senior staff on exceptional costs that have a business purpose

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

One policy for Directors, a different one for employees

Directors have different expenses

Senior employees have more business entertainment related expenses whereas junior employees claim for less due to the nature of their role. Regardless, the policy applies to all employees.

Employees of a specific grade will be entitled to mileage allowances while others may receive a cash allowance in place of the right to claim mileage.

In our experience employees are reimbursed at all levels for legitimate business expenditure

Directors & higher paid employees get better benefits.

Higher salaries - relocation expenses

Temporary staff often get a poorer deal Senior staff get better expenses especially for international air travel

The type of accommodation booked on a business trip differs depending on where the individual is in the business hierarchy

Different types of staff - sales v administration

Different grades of staff

Level of accommodation (3\* v 4\*) or grade of travel (e.g. Business Class flights) can vary

Certainly mileage allowances.

In my experience, higher grade employees and directors will get more types of benefits in kind, but that is the nature of the role, e.g. spouse travel and better medical benefits, and sometimes higher rates for overnight stays in hotels, and better classes of flight.

It totally depends on the employers

Naturally those in senior positions incur a greater amount of expenses and types of expense as roles will have wider scope than that of lower levels. A director may meet clients and work from home, whereas a trainee may incur just travel for attendance at college etc.

Variation often comes from differing employment contracts e.g. when businesses are acquired Business mileage allowance is, sometimes, fully reimbursed, partially or none at all by the employer.

Meal re-imburement for one category of workers and not for others

Better paid and higher up in corporate hierarchy employees tend to have more reimbursed

Hotel workers often have accommodation provided and PSAS. Short term workers often have less rights to claim out of pocket expenses.

Generally all companies I work with have policies that stand for all employees and everyone is treated the same. Mobile phones are only provided for employees who need them for their job. Some staff that do a lot of networking have asked for allowances for using their own phones, but this has been turned down due to the tax rules and also for commercial purposes. Instead they were offered a company phone with a different number, or they kept their own phone and paid for it themselves.

Usually tighter controls on Directors

Higher paid/grade employees tend to have better packages in terms of expenses.

Some employees receive mobile phones, business mileage, others have to pay themselves and reclaim through their tax return

Senior employees will incur business expenses by use of personal accounts/cards to purchase equipment and tools to complete a job quickly, whereas, another employee would not need or wish to use their personal accounts to pay for business expenses, no-matter what the reasons for doing so. Typically senior employees can probably claim more expenses than junior employees especially in small or medium companies where an expenses policy is not very specific

Some employees are required to travel for work and therefore incur expenses, whereas other employees are office based.

Larger employers seem to fully cover all employee expenses. Also employees on higher salaries seem to have all expenses covered. It is the owner managed, smaller businesses who do not seem to fully

reimburse employees, if at all. These employees seem to have lower salaries falling in the basic rate tax band.

Household expenses (other than telephones) generally provided only for directors and employees living in employer provided accommodation, but infrequently for employees occupying their own homes.

Generally employers operate the same policies mileage, travel, subscriptions, etc. for all staff.

Rates of reimbursement for different grades are treated differently. Senior management expected to pay for much more non reimbursed expenses such as staff entertainment

Expenses are broadly the same for all but senior executives are sometimes authorised to claim for more expensive accommodation and travel costs and for higher business entertainment amounts

Treatment of 'mobile' and office based employees is often significantly different, as is treatment of senior and junior staff

The policies generally vary on the standard of services allowed to be purchased. More senior employees may be reimbursed for first class travel or more expensive hotel rooms.

Mobile phones only provided at manager grade and above

In my experience only in respect of mileage allowance. Employees with company cars receive a lower mileage allowance than employees using their personal cars for business usage.

Directors versus employees, management versus ordinary staff.

Allow 1st class travel / larger meal allowances for directors/managers.

May allow telephone expenses as well

Classes of travel may differ between employees - more senior travelling business or first class.

Very senior employees tend to be offered free fuel with their company car. Other employees have the choice between a company car or car allowance with business mileage paid. Senior employees will be allowed to claim for membership to more than one professional body instead of just one membership.

More senior employees are generally given more help with expenses connected with home-working (e.g. computer equipment, telephone charges, broadband) than lower-paid employees.

Often travel policies will be geared to the seniority of the employees too.

Our organisation has had a separate travel policy for senior employees

Due to acquisition there are different employing entities within the group, the expense policies are different by employer.

Mileage rates for employees with a taxed car allowance are restricted to HMRC's fuel only rates.

Can vary significantly between different employers within the same group of companies

Some higher earning employees are entitled to a car or travel allowance, whilst other employees use their own vehicle. Higher earning employees may be entitled to a better quality of hotel / business class travel, and may have more expensive electronic devices issued to them.

Senior Management & Directors typically will receive greater scope in terms of not only the type of expense permissible but the maximum costs and the manner in which reimbursement is sought.

Expenses are more likely to be incurred/reimbursed by professional staff and senior employees than administrative or junior staff

Those on higher salaries will be allowed a higher rate for hotels travel etc

Expat vs local hire

Often a difference between directors and other employees

More senior staff generally get more expenses reimbursed, as they are likely to incur more expenses.

Professional subs paid for higher level employees

Having worked at KPMG, Deloitte and also my current firm, there are typically different policies for manager, and non-manager, grades (typically due to provision of company cars or car allowances).

Higher allowances available for executive level employees, e.g. better level of accommodation available, first class as against standard class travel.



Policy doesn't alter, but the type of expenses do. Junior employees might pop out for milk, but senior employees regularly give up their credit card for software subscriptions, CPD lectures, entertaining, and anything else that requires immediate payment (rather than be invoiced and later paid). Many don't but in some cases there are variations due to the nature of a particular job or in some cases variations between grades or seniority.

The variance is between different contracts, rather than between employees on the same contract. Professional fees etc for higher paid employees. Subsistence limits differ with more generous provision for senior employees.

Mobile phones are only provided to senior employees, as the expectation is that they will make more business calls, and there is an expectation that they will monitor and send client emails.

More senior employees have higher allowances, i.e. hotel costs

Managers and directors paid wider range of expenses than general employees

In my experience directors and the more higher paid employees are able to claim significantly more for evening meals (i.e. fancier restaurants) and hotels compared to the general workforce even where limits are imposed under expense policies. In addition, it is only the more senior employees that argue to have "home of work" travel and overnight stays near to permanent workplaces paid on the grounds they are "business" expenses despite the company then having to also fund the associated tax and NIC costs.

Senior management and directors are generally allowed to make more complex expense claims - for travel, entertaining etc whilst employees are restricted on what they can claim (generally to business mileage and hotel with restricted subsistence while away).

Larger companies' employees get very low mileage allowance restricted to the fuel element rather than 45p per mile. Very rarely are professional subscriptions allowed.

Mileage rates higher or lower than HMRC AMAP

Subsistence, accommodation

Some people have a work mobile phone and others don't and have to claim calls from their own phones.

General policy for majority of staff, but case by case rules for senior management depending on what they have negotiated. I often see that senior management don't want to keep track of business mileage and so just get paid a mileage allowance which is fully taxed,

Only directors may travel first class; all other staff have to travel second class unless they are with a director.

Other than perhaps allowing first class travel for senior officer

People on older contracts receive parking, newer contracts don't

We have an overall expense policy but the Exec team can overrule and claim over and above. This is due monetary limits (cost) rather than tax specific but does add work etc

Senior staff get more expenses

Professional subscriptions might be limited to Managers and above, senior staff might be provided with mobile phones or tablets, etc. rather than claim expenses. Also, many staff might use their own mobile for work calls and not claim expenses, particularly if within their included minutes, etc.

Although of course, more senior employees are more likely to incur expenses which are outside the policy and have them reimbursed....

More senior employees able to claim more expenses

Many employers do not want to be involved with monitoring mileage claims, they prefer to pay an annual car allowance taxed under PAYE leaving the employee to make a claim to HMRC for the actual business mileage covered

More senior employees likely to have company car / phone so expenses policy will differ

Expat employees' contracts contain more beneficial expenses reimbursement depending on the local host country economy

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

In general, there will be more expenses claims for employees of higher salaries. It very much depends on the type of work and the relationship between the employee and the employer as to whether any less usual expenses claims would be covered/reimbursed.

Some get professional subscriptions paid, others don't

In one company, individual employees have different levels of expenses that they can incur without prior authorisation

Mobile phones often for mobile or higher paid employees only.

Tends to be management roles or sale people etc who travel that need expenses reimbursed. Office based staff and junior staff rarely have expenses.

Those on temporary contracts may have limited ability to claim or any need to make business expenditure

TUPE employees may be reimbursed say better mileage rate reimbursement than existing employees due to TUPE terms and conditions.

Although sometimes value is less e.g. directors working late get to go to local restaurant whereas warehouse staff are able to bring in pizza delivery

Sometimes more senior people might be allowed to travel business class

Some employers will reimburse mileage at 45p/25p whilst many only pay say 12p per mile leaving the employee to make a claim against their tax for the shortfall.

In many employers there is a certain degree of generosity which does not apply to other employees.

Other than class of business travel

Senior Exec's will have a different policy.

Frequently more senior employees are reimbursed for expenses which junior employees are not. We deal with a lot of travelling sales agents and whilst the manager may be reimbursed for business travel the sales staff are not.

First class travel for more senior employees

Different sectors/business - often those where unions are involved who have negotiating long standing expense policies

Some appreciate the employees input and reimburse most work related expenses others only reimburse only where they are obliged too.

On temporary contracts the amount of expenses that may be claimed is very heavily restricted.

Professional subscriptions are not paid and subsistence. It is only business travel that is reimbursed which may not cover the expenses defrayed due to restrictions in the maximum amount that may be claimed.

Employees in a department where staff travel frequently have a set payment for own car journeys to certain UK cities. Employees who have to travel less frequently receive HMRC rates of 45p a mile.

No, expense policies are normally applied across the board, although there may be variance in say mileage payments where a job has a requirement to drive high mileage and so you might see a fully expensed system rather than a pence per mile reimbursement at AMAP rates

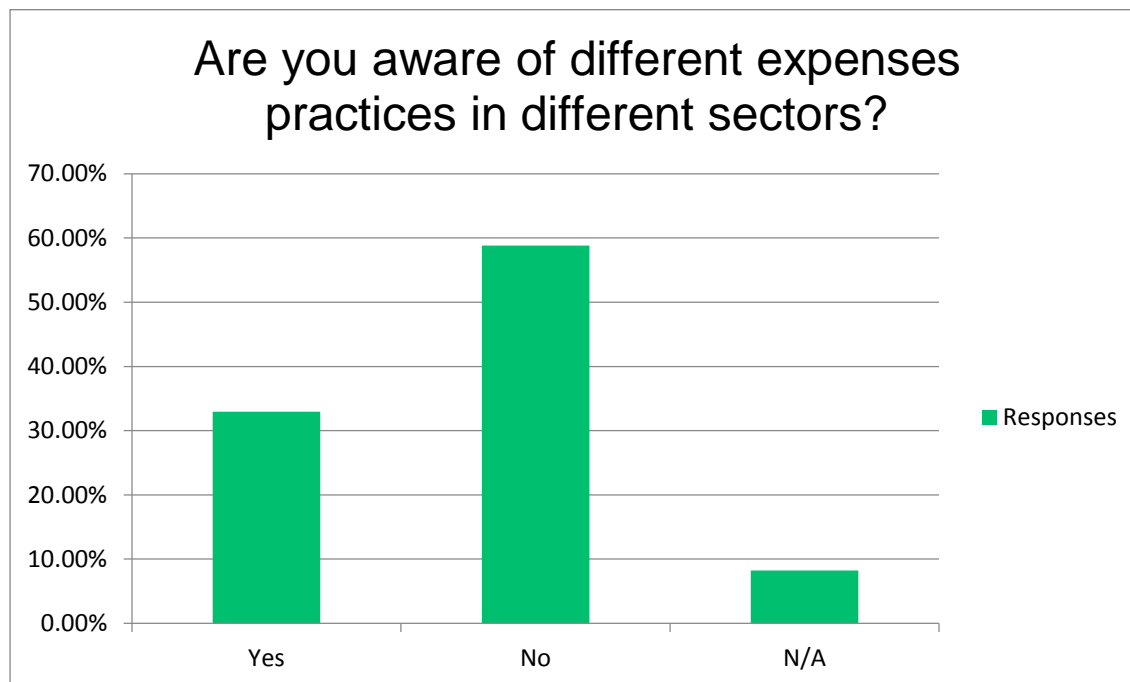
Different mileage rates

Higher paid employees with mobile phone paid.

Very few of our clients have a formal expenses policy, and generally where there is any sort of policy that applies across the board.

In a GP practice nurses may be reimbursed for practice miles between surgeries, but salaried doctors won't be (and not for visits either)

Q4 asks whether there is a significant variation in expenses practices in different employment sectors.



Examples from respondents on variations in practice include:

Uniform allowances e.g. nurses and general flat rate allowances

Different rates of mileage paid & differing treatment for payment of accommodation & food

Professional firms always reimburse membership subscriptions of e.g. ICAEW and CIOT, whereas in industry they are not always reimbursed.

Both annual membership subs (and Institute joining fees) reimbursed - my first employer (1984-1991) who also provided my training and paid for my exam courses for both my qualifications.

No prof subs reimbursed by 3 employers: one large accounting firm (1991-2000), one small tax consultancy (2001-4), one large University (2008-16).

One sub reimbursed, but not a second one (and I can claim whichever is more costly): my current employer, a private sector Accountancy Training organisation (2004-08, and present).

Type of expenses which an employer reimburses varies significantly from business to business and sector to sector depending on the prevailing labour market, customary practice and the individual policies of the business concerned. I.e. some employers do not re-reimburse professional fees or training costs and others choose to only make payments for business miles in excess of a specified distance. It is important that any changes maintain flexibility so employers can tailor their approach so it is appropriate to their business needs.

Normal practice for accountants to pay for professional subs for their staff but not likely for medical practitioners.

Sectors where staff are regularly working away at different sites all over the country (or abroad) prefer to pay a flat rate for all affected staff to minimise admin and ensure parity of treatment for staff.

Where there are job related union agreements

My employer has a number of items specific to its industry

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

I have a client working for a charity, who did not previously pay any expenses, although they have just started to pay a reduced mileage allowance. I also have clients with varying rates of mileage allowance.

In Switzerland, where I currently work, employers in industry (e.g. banking) are more reluctant to reimburse professional education costs compared to companies in practice (e.g. Big 4).

Home to office miles claimed.

Oil and gas very strict reimbursement

I work in Medical field and all professional subs are reimbursed

There can be significant variance between sectors, for example an established technology company may have an all-encompassing expense policy that reimburses for any type of business expense, whereas a start-up delivery business may have a very limited expense policy.

Some sectors pay round sum travel expenses and /or protective clothing allowances or amounts for cleaning of clothes

Many social home care employees are not fully reimbursed for travel and other business related expenses.

I have had clients in the past where professional subscriptions were deemed to be the employee's expense even though related to their job. This was typical with NHS staff.

medical and consultancy

Overnight expenses for lorry drivers. 'Get you home payments' for armed forces, etc.

In both the public and oil and gas sectors the type of expenses that may be claimed are more restrictive (for example restrictions on business travel).

Public sector receive far higher benefits than private sector. Only the larger and more established companies can offer benefits.

The sports industry (e.g. rugby clubs/football clubs etc.) commonly pay employees coming into the UK to take up employment an annual fixed travel allowance (irrespective of and without proof of actual costs incurred) or will reimburse costs of annual return travel to and from the home country for e.g. the first three or five years of employment. This is sometimes paid even when an employee originally originating from outside the UK has already been employed within the UK with another employer. I have not seen this in any other industry/sector.

Private businesses and public sector

Rates reimbursed in the public sector can be below HMRC maximum allowable rates. Private sector tend to pay at HMRC maximum rates.

Road Hauliers

Energy sector even now is much more generous with expenses than say public sector bodies or the construction industry.

Professional firms also tend to be more generous.

Employers in the Financial Services segment normally reimburse higher amount of expenses as compared to other segments

Some reimburse specific amounts spent, some still use round sum allowances whilst others rely on historic arrangements agreed with HMRC or use HMRC benchmark rates

Flat-rate allowances appear more common in certain industries where travel is more regular for example such as the travel industry

Public v Private

Yes, financial services and PLC's tend to pay HMRC rates (e.g. 45p mileage) whereas smaller companies, and civil service pay less, meaning their employees have to claim the additional allowance from HMRC. A friend of mine received £1700 refund from HMRC for 6 years mileage at a lower rate.

Haulage industry pay overnight expenses based on previously agreed industry rates.

Very formal well documented expense policies in banks and accountancy firms. Less formal outside FS sector e.g. more on manager approval basis.

E.g. my current employer would not pay my ICAEW subs despite my ACA qualification being specifically mentioned in the job advert.

Technical support companies allow workers to claim laptops and tablets and smartphone costs. IT consultants still try to push the boundaries on claims.

Each company will have their own policy on what can be claimed on travel expenses particularly with a cap so they do not spend too much. Not all companies pay the HMRC mileage rate. Some pay less. I have seen the public sector pay more and tax the difference through payroll.

Professional firms such as solicitors and accountants may reimburse professional subscriptions compared to industrial/commercial firms which may not. Some firms that allow some employees to work wholly or partly at home may reimburse household/telecoms expenses used for business purposes at reasonable rates that are much higher than the unrealistic HMRC guidance level. Larger businesses would have accounts set up for employees to use business cards, whereas a smaller business may be reluctant to give such access to any employee, preferring to have an ad-hoc arrangement to expenses.

We pay professional subscriptions for our staff but many doctors are not reimbursed for their professional subscriptions. Some employers only pay a lower mileage rate. Many do not properly reimburse employees for the true cost of home working or use of their own mobile phone.

Agriculture, I have seen many examples of genuine wholly, exclusively and necessarily expenses not being reimbursed at all to employees.

Some sectors reimburse the minimum acceptable amount, others the maximum tax free amount; for example, some employers reimburse only the advisory fuel rate for business mileage, whilst others reimburse the full 45p/25p per mile allowed.

Yes, but only where there has been special agreements with HMRC e.g. Road Haulage Association agreement for driver's overnight expenses.

In higher education there are practices such as basing relocation expenses on a percentage of salary (and well below the £8,000). HE is also the first sector that I have worked in which doesn't reimburse for professional memberships as a policy. It seems to be extremely difficult for ordinary employees to get expenses reimbursed in this sector.

Not all employers will, for example, reimburse professional subscriptions. Similarly, not all employers reimburse or pay for sight tests when the employee operates a computer for the majority of the day. Sales/construction - mobile employees tend to get more expenses allowed, although employers are more likely to use scale rates for ease of administration

Yes I work in recruitment and it is expected that recruiters take candidates out for lunch and these meals are considered a legitimate business expense. We would also expect to pay for late night taxis and for non 'home to work' travel which is expected as part of the role.

Financial sector tend not to provide company cars whereas manufacturing sector etc do provide company cars. There is also a difference where an employer is located in London - less likely to provide a company car in London versus non London.

Professional services firms tend to be far less generous in the range of expenses reimbursed than financial services industries!

I have worked in practice, financial services and FMCG. FMCG expense policies are more generous when allowing overnight stays for business. Practice and financial services expected travel in the employees own time instead of staying overnight.

Expenses policies design to fit particular working patterns for sectors. For example in large scale infrastructure, need for policy to cover employees working at specific sites for set periods of time (e.g. accommodation, subsistence, travel).

Any evidence of differing practices is purely anecdotal in my experience, however professional advisory firms appear to have more generous entertaining budgets due to the marketing element of client entertaining.

Can be significant differences between public and private sector and industry sector

The private sector differential more than the public sector

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Transport sector generally more established procedures than say construction or sales orientated businesses

Sales people tend to incur more but get them reimbursed. Those with small outlays tend to have to bear them personally.

Have encountered differing policies re payment for business mileage.

All our construction / trades clients repay expenses alongside payroll - the expense reimbursements are shown on payslips (although not taxed etc) and one payment is made to cover wages and expenses. Most other employers pay expenses based on expense claim forms as and when they are received.

Some sectors pay expenses direct while others do as a reimbursement but, in general, all only reimburse (or pay direct) correctly incurred business expenses.

Professional firms more likely to pay professional subs than say employers in IT sector.

SME likely to reimburse fewer expenses than larger corporates

Key area to look at is the existence of Working Rule Agreements and equivalent. Areas of employment with highly unionised staff tend to have the greatest preponderance of bespoke allowance agreements.

Public sector tends to pay above mileage rates.

E.g. marketing and PR businesses tend to be more inclined to reimburse expenses incurred on client entertainment, travel, gifts etc as they appreciate that the staff are employed to woo the customers. Typically lower paid / grade employees are less likely to be able to claim as many expenses as more senior staff.

The more "professional" the business sector the more likely it is that expenses will be reimbursed. Public sector have much lower expenses.

Recruitment/agency sector have always attempted to use expenses as a form of remuneration.

Professional firms are more likely to pay less than industry/commercial firms.

The private healthcare industry pay less in expenses such as mileage allowances

I find that in agriculture the expenses tend to be more private use of business assets in comparison to other sectors where expenses tend to be incurred by the employee using their own assets and these are then reimbursed. I think this is due to the nature of agricultural businesses being family run and very much linked to the farmhouse.

Haulage - driver overnight allowance - new rules now causing chaos. One employer we act for is now paying drivers more rather than try and gather the evidence for the claim.

Care work - very restricted allowance claims.

Industry/private companies are quite different to say professional practice. Often this is because in professional practice the travel costs/expenses are recharged to clients. This means in professional practice all costs are very tightly monitored.

Using HMRC flat rate allowances in certain professions.

Different churches reimburse ministers for different types of expenses but most do reimburse for mileage.

I think professional service firms are more generous in terms of business travel and some industries encourage working from home/flexible working more

Public sector are generally more generous than private sector

IT support industry - reimburse business mileage for employee using own car at less than HMRC approved scale.

Businesses with high levels of staff travel often book travel and accommodation centrally to manage costs and for budgeting. Public sector costs are usually capped but the public sector, charities and construction industry are the main sectors paying for home to work travel (often misinterpreting the 24 months rule).

See above this is very common in the estate agency sector

Industry tends to cover more expenses than practice although the mileage rates can often be less than the full 45ppm.

Subsistence policies are usually very detailed and depend upon the employer and sector. Some employers have a generous allowance and some pay nothing at all.

Some employers do not reimburse professional fees or only in part.

some sectors allow much more than others re client entertainment

Historic and "cultural" differences exist in various sectors. There are too many variants to cover in a short note like this

Smaller, specialist tax firms will more likely pay professional subscription costs than larger, general accountancy firms. Provision of a company mobile phone is very varied across all sectors and all businesses within them.

Differing quality of expenses requirements, record keeping etc

Not so much sectors as sizes of business. In large businesses practices usually more formally set out. In one small company the director incurred virtually all expenses and reimbursed himself only occasionally to save bank charges

Care workers are often not reimbursed travelling costs between clients; similarly for some retail employees who aren't paid expenses if deployed to another store.

Not all employers reimburse the full mileage allowance. Larger firms tend to reimburse less and expect employees to claim the difference via tax returns.

Small owner manager firms tend to reimburse more household expenses.

I have worked in service, manufacturing and local government. The expense policy differed in the organisations subject to what work the employee was involved in as to whether mileage or pool cars could be used. All expenses were authorised by line management. Some only allowed expenditure to be claimed within a set time period

Professional businesses (accounting etc.) have more expenses reimbursed, trading companies tend to have less requirements, using company van/s and very few requirements for subs, Professional fees For example different employers pay different mileage allowances for business travel in own car - they don't all pay HMRC rates - many pay less.

If labour is short in supply, then the full expenses are paid, however if plenty of staff some employers consider cutting expenses as a way of cutting costs.

Those in building trade and construction appear to have very generous rules for early mornings and late evenings if working away from home. These seem very generous when compared to the usual expenses. These could be agreed with HMRC?

Some employers will pay mileage allowances at the full FPCS rate from the employer premises, some employers will expect employees to incur a certain amount of business travel that is not reimbursed and then pay employees at lower than FPCS rates.

Very few company cars are provided to employees in London and the South East.

Widespread across all sectors

Public sector traditionally operates on the excess cost model whereas the private sector will use the HMRC definition of a business journey and the triangular travel principles.

Where business travel is more irregular it is often reimbursed but site based staff are often expected just to accept the transient nature of the job and do not receive any reimbursement.

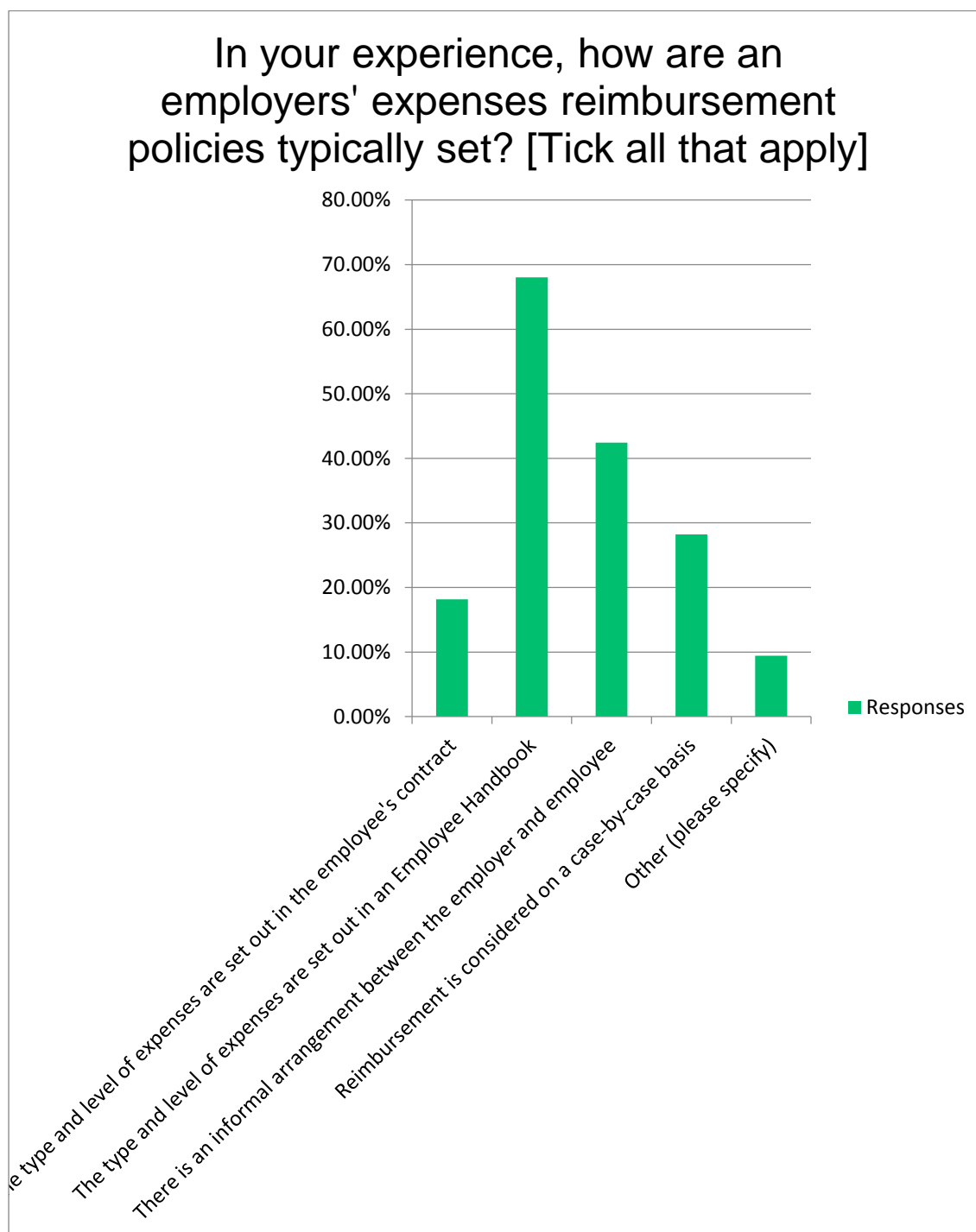
Not usually sector variant

It usually comes down to the employer's attitude

Having worked in public and private sector the public sector reimbursed fewer 'business' expenses and there was a greater reliance on the employee to make a claim for tax relief to HMRC. Also there is an expectation in the construction industry that there are more generous expense policies and employees expect to be reimbursed for more items as they often work away from home more often.

Smaller OMBs may not pay professional subscriptions

Q5 asks how employers set their employee expenses policies.



Examples from respondents of employer practices are provided below:

Handbook often supplemented by an expenses policy

Set out in an expenses and benefits policy

We act for a number of 'contractor' companies, primarily in the oil & gas sector; the directors often pay everything from the company which means P11Ds or directors loan account adjustments.

Often a separate expenses policy applying to all employees



## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Expenses Policy defines type and level of expenses

Expense policy

Internal websites are often used to publish the expense policy and guidelines

There are always ad hoc unexpected expense items which will require specific consideration

Expenses policy on the company portal

Travel policy document

Set out in a formal policy statement

Type and level of expenses are set out either in Finance or HR policies

National Road Hauliers Recommended rates

Standalone expense policy

There is usually employer travel policy who outlines what can and can't be claimed for

There is no such thing as typical! A large company will have standard policies but many SME businesses don't

Expenses policy

There is a rather messy amalgam of policies which are made known as and when problems are encountered.

Via a formal expense policy

Published company policy document

A specific expenses policy document may be published by larger organisations.

We have an extensive Travel & Expenses policy

Policies are set at group level with acquired entities gradually being aligned. Policies are held on the intranet (not strictly a "handbook") and all employees are required to be familiar with these policies as a term of their employment contract. The expenses policy itself is at a high level, with guidance notes giving detail of values available for reimbursement. Rules are enforced through the use of an online expenses system.

Expense policy separate to handbook and contract

Written expense policy

There is always a separate Travel and Expenses policy.

There is a separate expenses policy document

Set out in the Travel and Subsistence policy

On the Employer's intranet

We have a specific expense policy document

Use of an expenses policy

There is a separate expenses policy

Often there will be a set policy

Sometimes managers can overrule the written policy

Expense policy

Amongst small employers this process can vary hugely with some following the rules of law and others being haphazard

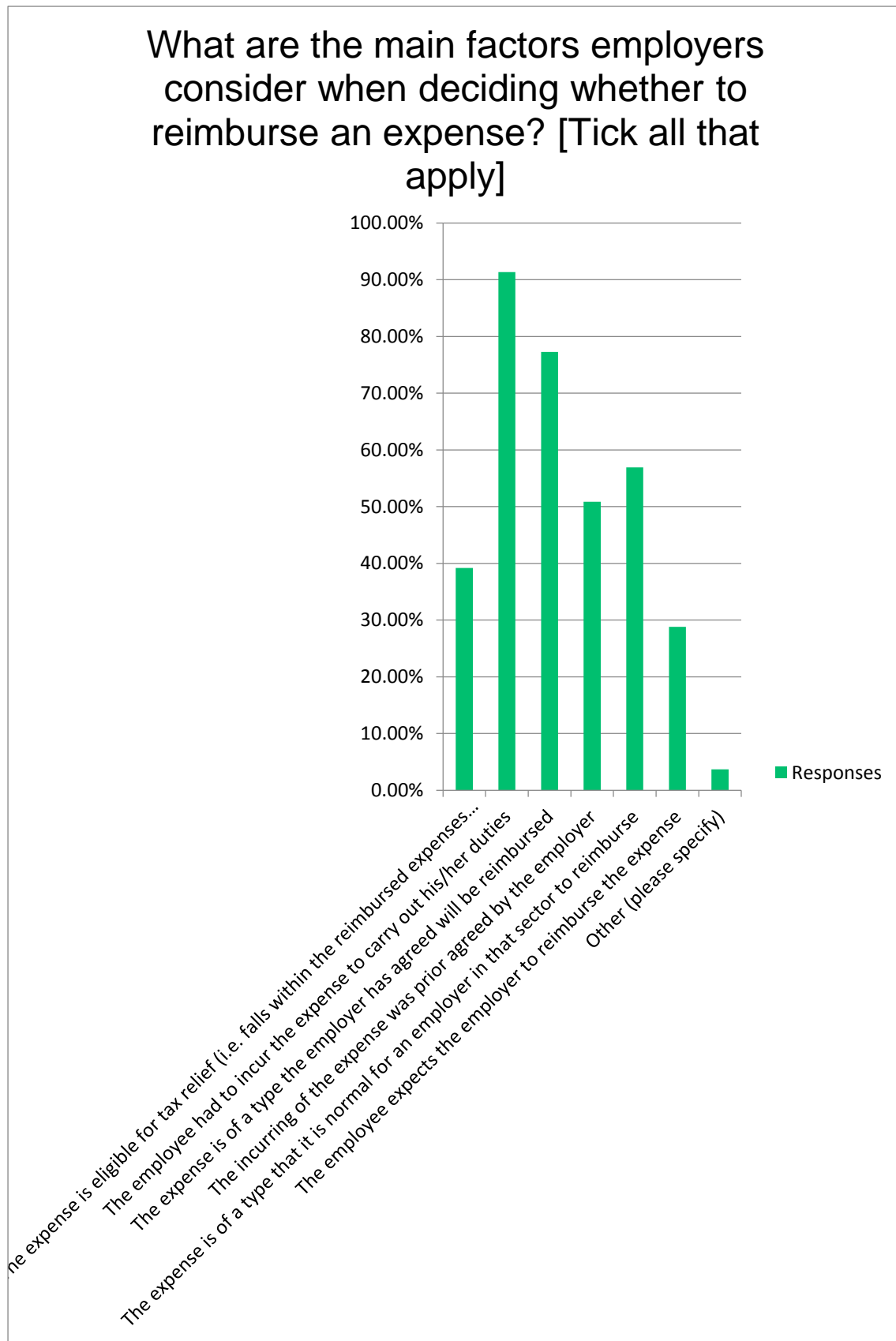
HMRC mileage rates very commonly used. Set meal rates rarely applied - although lorry drivers are sometimes limited to a maximum.

Most cases I have dealt with are where all of the expenses are contained in a separate reimbursement policy.

Expenses Policy

Given how HMRC have approached expenses and their taxation, business prefer to have a formal policy in place which fits into their SAO and risk agendas

Q6 asks what factors employers look at when deciding whether or not to reimburse an employee's expenses.



Examples of other factors taken into account provided by respondents include:

Appropriate documentation to support the claim is maintained and submitted

'Fairness' to the employee regardless of tax rules, even if this means putting expenses through payroll or reporting on P11D or including on PSA

The expense is a business expense

Employers not reimbursing for job related expenditure

Staff Motivation/recruitment - for example paying for professional fees is a benefit to help recruit

The employer tends to turn down items for reimbursement based on their (ill-informed) perceptions about whether they think it will be eligible for tax relief for the employee

Are the costs reasonable in relation to the reason for the expense (e.g. going to conference and where it is held)

On rare occasions and on a case by case basis there may be reimbursement for items not included above, where these might fall to be taxable the reimbursement would either be via payroll or agreement sought from HMRC to tax via PSA.

Employers generally want the job done and the employee not to be out of pocket; tax relief doesn't come into it (until there is a problem).

Some one-off items are agreed out of policy.

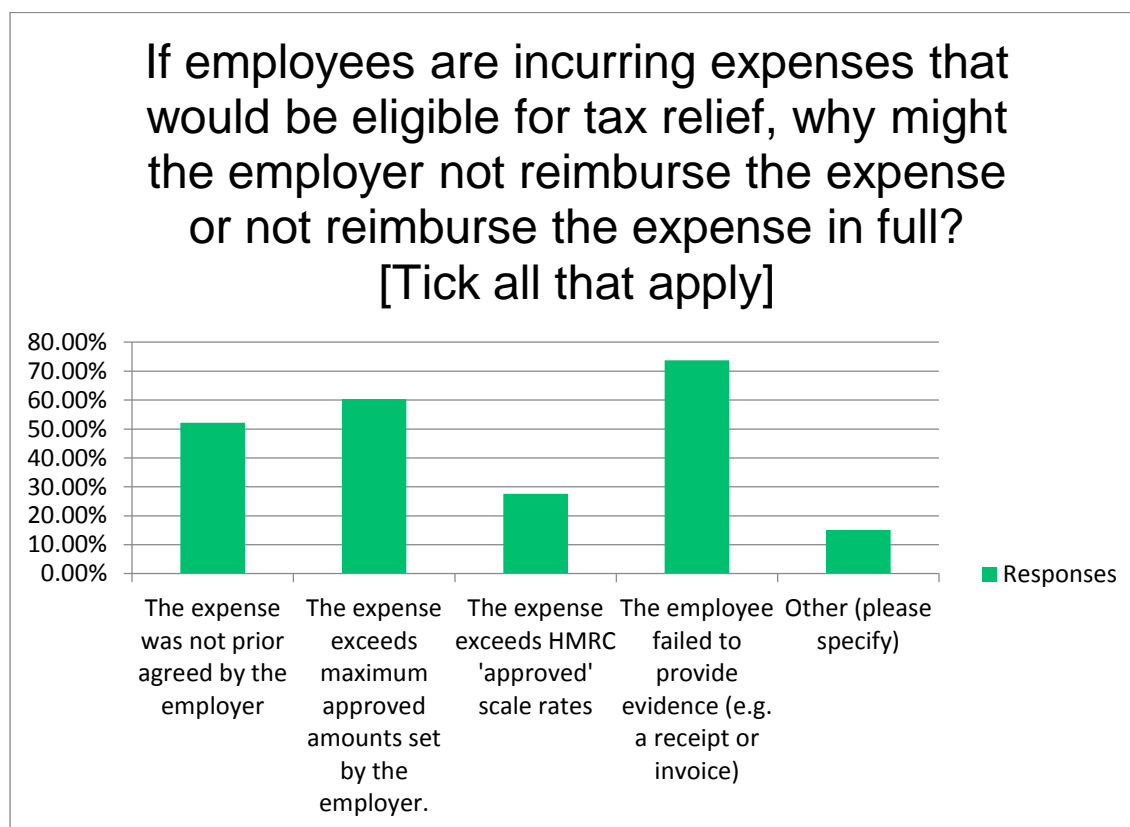
An expense beneficial to the employer - training courses, etc.

The cost to the business and if within the policy.

There is little knowledge of what is tax deductible and reading about this on website is not in a simple format.

Sometimes employer has stopped reimbursing expenses that it was reimbursing when I explain it is not tax deductible e.g. working lunches

Q7 looks at why an employer may not reimburse an employee's expense.



Examples from respondents of other reasons include:

Not a type of expense the employer chooses to reimburse, e.g. professional subs.

If it is not the employer's current policy to pay that expense - for example, we are in current employee consultation about introducing a remote-working home office allowance but currently none is paid although there is a small amount allowed tax free.

Maximum approved amounts in relation to mileage is generally set by reference to HMRC approved rates rather than any internal calculations.

The employers reimburses at rate lower than that allowed by HMRC

Employer/Employee not aware that the payment would be eligible

With some costs such as AMAPS it is common for employers

Companies are increasingly keen to "minimize costs" - not paying actual expense reimbursements is an easy way to save money. In addition, not paying expenses minimises the administration burden on business.

Cost. Items such as professional subscriptions

Policy decision (e.g. Decision not to reimburse prof subscriptions).

Could not afford to pay. Could not be bothered with paperwork required.

To minimise costs

Not a business expense

Not of a type supported by employer and where employees expected to incur such costs for their role

There is a common misapprehension amongst employers and employees that the 'expenses' will be allowed / deducted by HMRC as opposed to just the tax relief on those expenses.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Employers looking at own profit before reimbursing employees (e.g. just not reimbursing because it will reduce profit.

Employers system not set up to deal with expenses other than travel and professional fees, or have a policy where they will only reimburse fees for one profession( e.g. CIOT only, not CIOT plus ATT or ACA etc).

Company policy to only pay part claims of mileage

A lot of employees have lower limits e.g. 20 p per mile for travel

The employer simply doesn't want to pay the costs and won't pay it whether or not they or the employee get tax relief is not relevant

Expectation that employees pay their own expenses, to support their employer

Because they are trying to control costs and pass as many as possible on to the employees

Professional subs not reimbursed in education sector

The employee is unaware that the expense could and should be reclaimed.

Professional subscriptions typically not reimbursed. Where car allowance and fuel card are provided employees not told they can claim a mileage deduction by their employer

Expenses are excessive

The employer is mean and can save 1p a mile by paying slightly less than the "approved" scale rate.

It is not in line with policy

Frequently find employers expect employees to bear the cost and claim tax relief only

The employer does not consider the expense reasonable

Limits are set on reimbursements

Not so much "no prior agreement" or "exceeding maximum", but more being a bit inconsiderate with expenditure. In my experience this would rarely happen except with entertaining.

Employer expected the employee would incur the cost normally e.g. having to purchase lunch when at a temporary workplace or business trip.

Not incurred in carrying out his duties e.g. professional memberships

It is time consuming to do - cost v benefit - so employers don't do it

The employer does not operate a fair expenses policy (This is rare)

Policy - to reduce costs some employers do not reimburse professional subscriptions

Professional subscriptions are often not reimbursed by employers in practice or industry. This just seems to be common practice. Training costs are sometimes not reimbursed by employers as they perceive the employee should bear some or all of the cost because of the long term benefit for the individual's career. Many employers feel that 45p a mile is too much to reimburse staff for petrol costs.

The expenses were submitted for reimbursement too late

Employee doesn't think the employer can afford to reimburse additional costs.

The employer has agreed to reimburse only one professional subscription

Policy can be not to reimburse

HR policy

They are a direct cost to overheads and many businesses are asked to find ways to reduce overheads.

They do not see it as integral to their business; those costs might make their business model uneconomic; employer might feel able to employ other people on similar terms so is not concerned about employee's financial well-being

Expense not covered by policy

Poor communication to/from employee that reimbursement is allowed.

Some employers still use triangulation rule to save cost or set a mileage rate lower than AMAP by constantly reviewing the fuel costs even though tax relief is available.

For example I am home based employee working from home - this is what my contract of employment says. I spend most of my time working from home. But on 100 days I have to travel to

[]. My contract says that although this is business travel I will not be reimbursed for that cost. If I have to travel to any other place I will be reimbursed.

Submission of late expense claims

For business travel employer only reimburses additional costs in any day/week/month so employee is required to deduct normal home-to-work commuting costs for every day worked; employer believes employee has spent more than necessary (in cases where meal is being reimbursed); employer does not reimburse alcohol costs in any circumstances, Mileage when employee takes cash sum instead of company car - they often reimburse fuel-only rate rather than 40p

Some employers will not reimburse expenses but just consider it is a cost the employee should bear.

The employer does not want to meet the cost

Some employers simply expect their staff to seek relief directly rather than reimburse. Others maintain a simple remuneration system with employees funding expense costs personally.

In the main, some employers continue to use the triangular travel approach

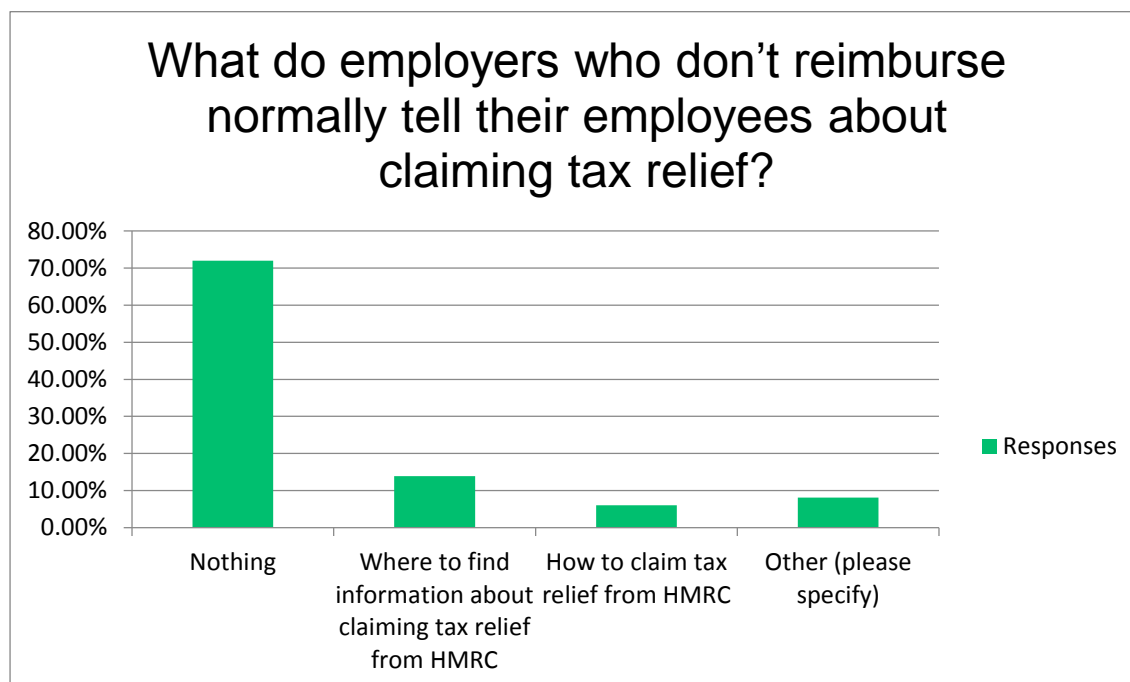
The expense was not a necessary/genuine business expense

The expense sits outside the published expense policy and so could create inconsistency among staff

Employer considers the expense not to be directly for the business

Some employers consider the risk from HMRC is too much in comparison to the amounts to be reimbursed and pay a higher salary to cover the job expenses

Q8 asks whether employers provide information to their employees on claiming tax relief for non-reimbursed expenses.



Comments included:

- Mainly nothing, but some may steer employees towards HMRC guidance
- Generally leave it up to the employee to deal with an HMRC claim.
- Generally nothing - although some do let employees know about low mileage payments e.g. if salary sacrifice car, but only get 12p per mile. Let them know about form to claim tax relief on difference
- If an employee wants to claim tax relief - that is up to them not the employer - it is often other employees that provide information regarding claiming tax relief
- Employees have been directed to the HMRC list of membership bodies and told they can claim relief but not how to do so.
- It varies, some employers will provide information to employees about seeking tax relief on all unreimbursed expenses, many employers do not volunteer any help on this point.
- Either nothing, or just that it might be possible - it's then left up to the employee to investigate.
- Varies - some are better than others at providing support or guidance for employees to make tax relief claims
- Only on AMAP - where car allowance paid and mileage less than AMP rates
- Why it has not been reimbursed
- Only a very poor employer would not reimburse properly incurred expenses attributable to performing the job.
- They all reimburse expenses
- Tell them they can claim further relief from HMRC but not where to find or how.
- I find knowledge in this area to be very poor
- Nothing, unless the employee asks.
- Varies enormously from nothing to preparing the claims ready. Professional bodies are far more pro-active in telling members what can be claimed than employers usually are.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

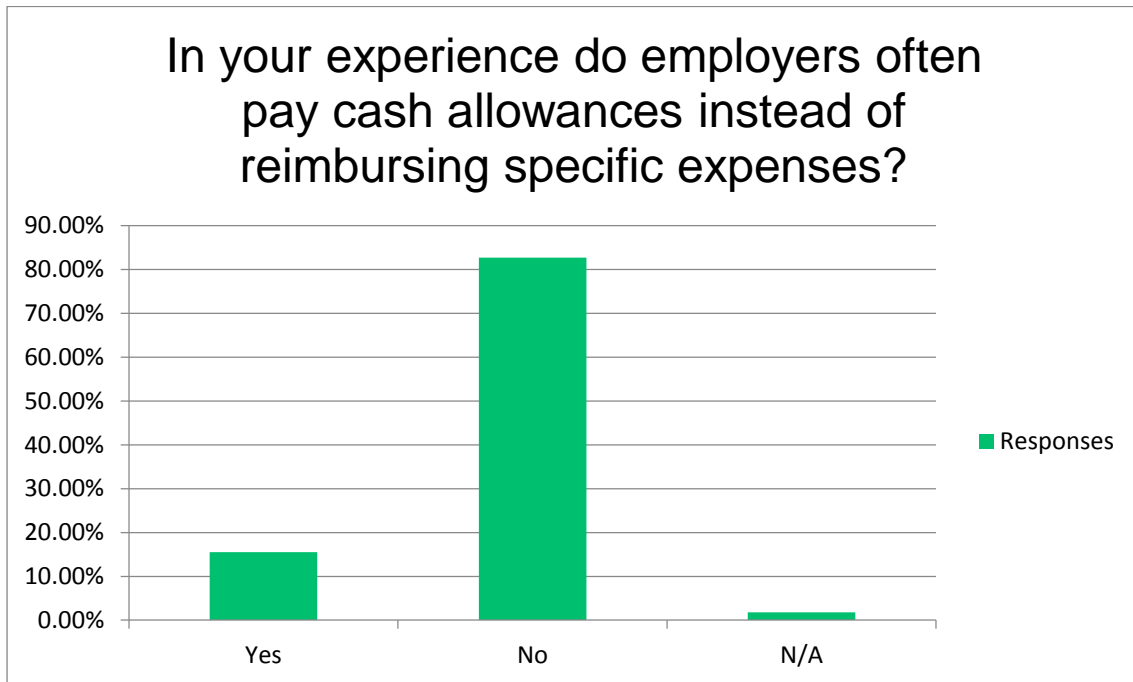
It depends, some give a lot of information, and some even produce a S336 claim, whilst others do nothing.

Ask the tax advisor of the employer to explain

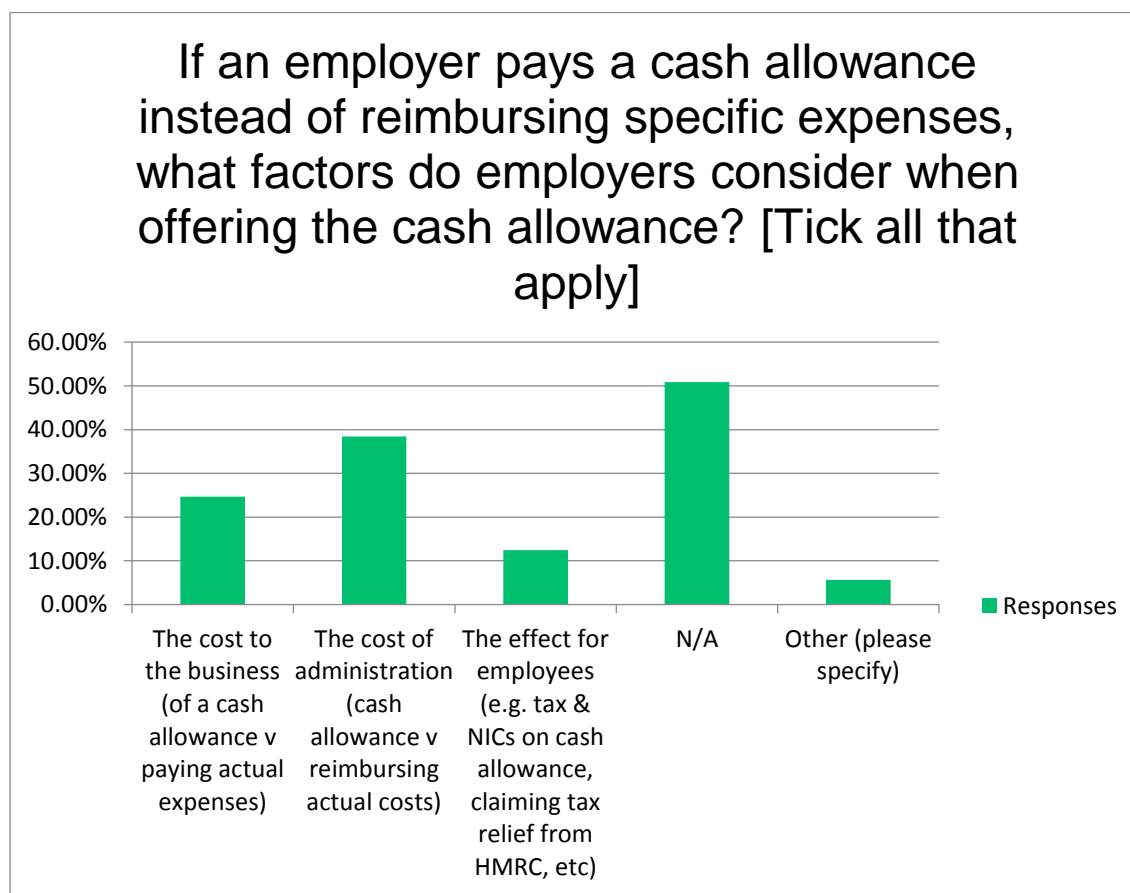
Informally as a tax professional I have told people that they can make a claim for tax relief, but different industries have different levels of knowledge e.g. construction is very clued up, public sector seemed very unaware of this



Q9 asks whether employers pay taxable cash allowances in place of reimbursing specific expenses.



Q10 considers the factors employers consider when paying a cash allowance.



Examples of other factors provided by respondents include:

I have seen a client receive a cash allowance but not been told reason for that route having been taken.

Administrative simplicity

Most use a set figure added to salary

Employers pay a cash allowance and sometimes also reimburse actual costs based on receipts.

Round sum allowances are much less common than they were because of HMRC's insistence on sampling exercises

Agreed per diem

Whether the cash allowance is reasonable in relation to the likely actual spend

Industry practice and allowances

The level of expenditure the employee is likely to incur

most employers only consider the cash flow impact and not the tax impacts

I think employees will try and make money from an expenses allowance. I've seen this with car allowance, it is not used to buy an equivalent car.

National Road Hauliers Recommended rates

Operation of PAYE on round sum allowance

This will normally be only given to senior managers rather than all employees. Apart from who the employees is and how important the position he/she is in, no other considerations are made

Employers typically pay a cash allowance to reduce hassle and get a fixed cost

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

PAYE

Only per diems that are tax approved are allowed

They are usually trying to save time

Potential PSA effect

Rules on mobile phones that don't work with current Mobile phone contracts re specific call charges

Car allowance is only one usually paid

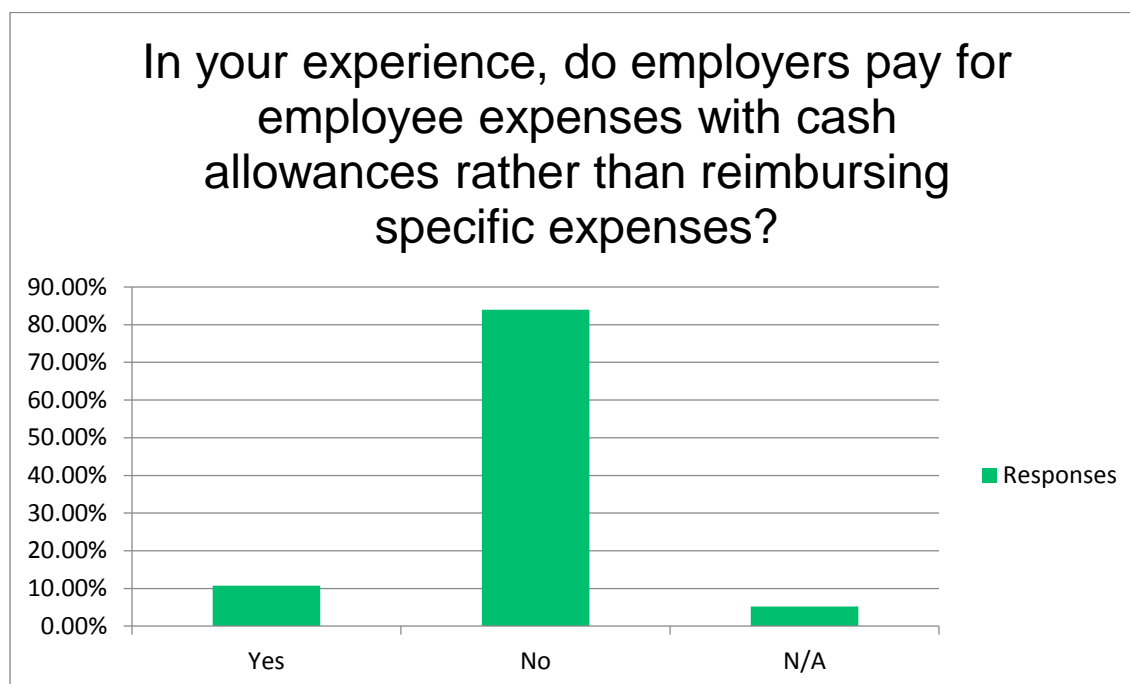
It's so much easier

I have seen this with mobile phones – it's too much hassle for the employer to administer and so they pay a mobile phone allowance which is fully taxable.

Cash allowances can be abused; reimbursement of actual expenses is harder to abuse

Maintain parity between employees.

Q11 asks whether cash allowances are used in place of specific expenses.



Comments from respondents included:

Travel and subsistence costs that would not be considered by HMRC to be in connection with business journeys (allowances paid through payroll for example where secondments overrun HMRC's two year limit

Cash allowances are used to cover expenses that will or are likely to be incurred. To the extent the cash allowances are attributable to specific expenses, they are tax free.

Cash allowances are used only for administrative simplicity to ensure employees are not left out of pocket waiting for reimbursement which would be blatantly unfair on them.

Where daily out-of-pocket expenses are heavy, a cash float system can be used. Reimbursement of expenses is done monthly, with cash float set against amount reimbursed.

Many years ago now, it was fairly common for e.g. lorry drivers to be given an overnight and subsistence allowance.

But in helicopter business where employees travel to various location then use HMRC set rates per country for reimbursement cash allowance

1. car allowance, 2. specific allowances for meals

I have a number of international companies sending assignees to the UK for periods of up to 24 months. These companies will provide for UK rental payments and home leave flights via cash allowances typically with the individual then being responsible for claiming the relevant tax reliefs (e.g. temporary workplace relief) via their annual tax return.

Lorry driver overnight allowances at RHA rates

Employees of a specific grade will be entitled to mileage allowances while others may receive a cash allowance in place of the right to claim mileage.

This question isn't phrased well given the previous two questions, but in certain areas, for example overnight expenses where the employee stays away the employer is more likely to pay a cash allowance.

On occasions. No set industry but really down to individual employers.

A car allowance of say 40p per mile

On request by employees claiming financial hardship

Fixed-sum grants when relocating residence on taking up a new employment. To "buy out" an employee entitlement under TUPE rules when newly-acquired employees had a higher cash allowance from the previous employer. Circumstances when a specific expense might be time-consuming for an employee to determine and/or difficult for an employer to verify e.g. business phone calls on a private mobile phone using a monthly contract with a quantity of "free" call time. 'Per diem' particularly if it is perceived as a business norm or customer will accept cost of I have regularly seen employer's pay cash allowances towards overnight accommodation and subsistence, e.g. a flat rate of £50 per night to cover hotel costs, meals etc. In many cases this does not cover the cost to the employee.

Only internationally mobile employees and all cash allowances go through payroll

Where regular payments are being made such as lunch expenses, it is far easier to just pay a set allowance than having to process lots of small claims and store the receipts.

Usually where there are a lot of travel and subsistence expense e.g. in sales

Employees may be given cash allowances to cover items such as meals taken away from home and accommodation.

In the case of an extended assignment period where the employee would otherwise have to submit a large number of low value claims for subsistence

Not generally, but often when assigned to another country there may be a cash allowance as easier.

Per diem cash allowances to cover subsistence when working away

Accommodation allowances

Car allowance

May be paid for client/contact entertaining, some travel or more often accommodation especially where the job involves regular travel and overnight stays. Also small amounts with PIE rules.

Mobile phones - where no detail on specific call charges because of bundled minutes

Senior executives who have previously received expenses often want that maintained. If they become taxable it is easier to pay a cash allowance.

Unlikely for entire employee population except in cases of acquisitions.

This is usually in new companies who haven't taken advice about the effects

Cash allowance for overnight accommodation when working in a temporary location.

Fixed amounts paid for items such as overnight allowances or lunch allowances in the absence of invoices / receipts.

We encourage staff to pay for the expense and then claim it back rather than providing cash up front

Small overnight cash allowances (e.g. £5) are often paid without requiring evidence of expenditure.

Travel expenses within a specified geographic area...

Only occasionally - not as much as a few years ago.

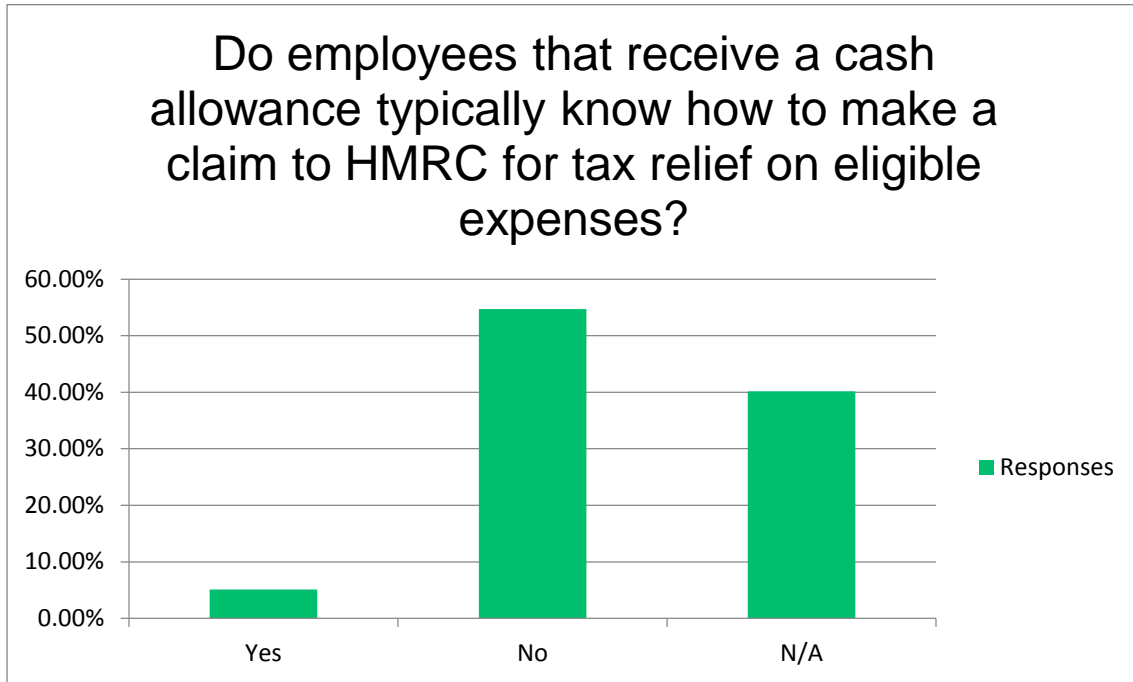
Some consider it the norm and do not understand the importance of reconciling cash allowances with actual expenditure

Often a daily overnight rate for subsistence.

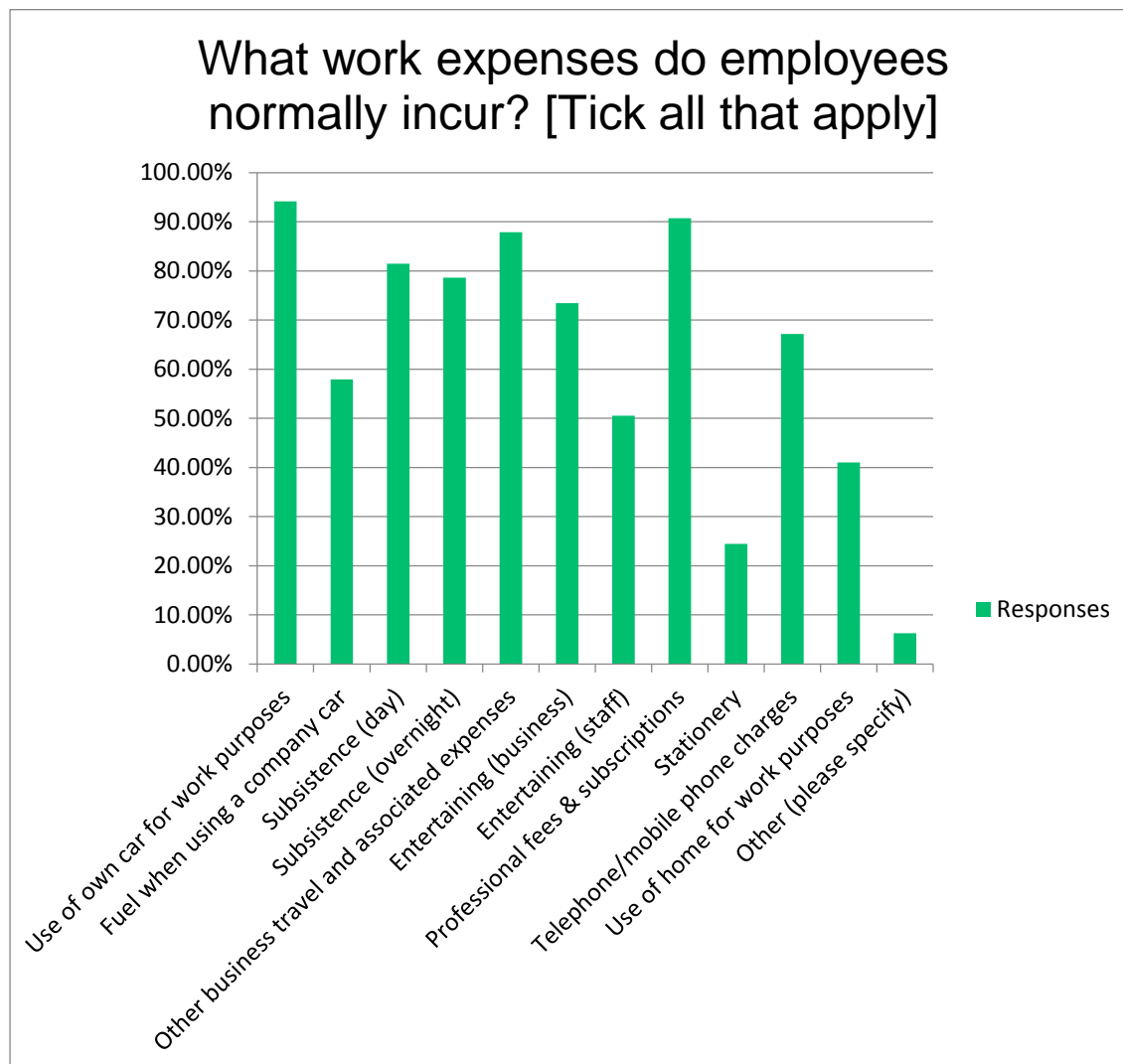
Many employees in construction/engineering who travel away from home receive a flat rate allowance which is inevitably less than the amount they can actually get food and accommodation for.

Additional cash allowance (paid via payroll) to cover substantial travel and subsistence expenses.

Q12 asks whether employees that receive a cash allowance know how to claim tax relief from HMRC.



Q13 asks what expenses employees generally incur (as opposed to what expenses employers reimburse).



Examples of other expenses incurred by employees provided by respondents include:

- Additional laundry costs occasioned by employment duties
- Uniforms or other special clothing - cleaning allowances
- Staff working at a school may incur all sorts of expenses, e.g. for pupils who are eligible for pupil premium. I have seen staff buying tights for girls, deodorant, personal care products, shoes, uniform etc because the pupils were not adequately provided for at home. These expenses were then reimbursed by the school (the employer).
- Training costs, meeting room hire, ad-hoc business costs (papers, cleaning, milk etc)
- Protective clothing, laundry costs, etc.
- Small items of IT equipment
- Use of home is quite unusual, I've seen the flat-rate weekly allowance paid.
- Uniform cleaning. Tools of the trade.
- Training costs
- Office Equipment

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Tools and equipment costs, especially for temporary site based workers in construction and for business promotions events

Initial training/education and continuing professional development.

Broadband

Internet, training and conference fees

Overseas Travel Visas, Inoculations

Computer consumables

Incentive rewards and staff gifts

Purchase of materials, repair/maintenance of company vehicles

Software subscriptions, lectures, entertaining, office refreshments, other office expenses (flowers (for reception), crockery, light bulbs, washing up liquid, USB leads, tea bags, milk)

Postage costs

Training courses

Home to work travel for out of hours call outs

Training courses

Business tools, equipment, and costs

Broadband

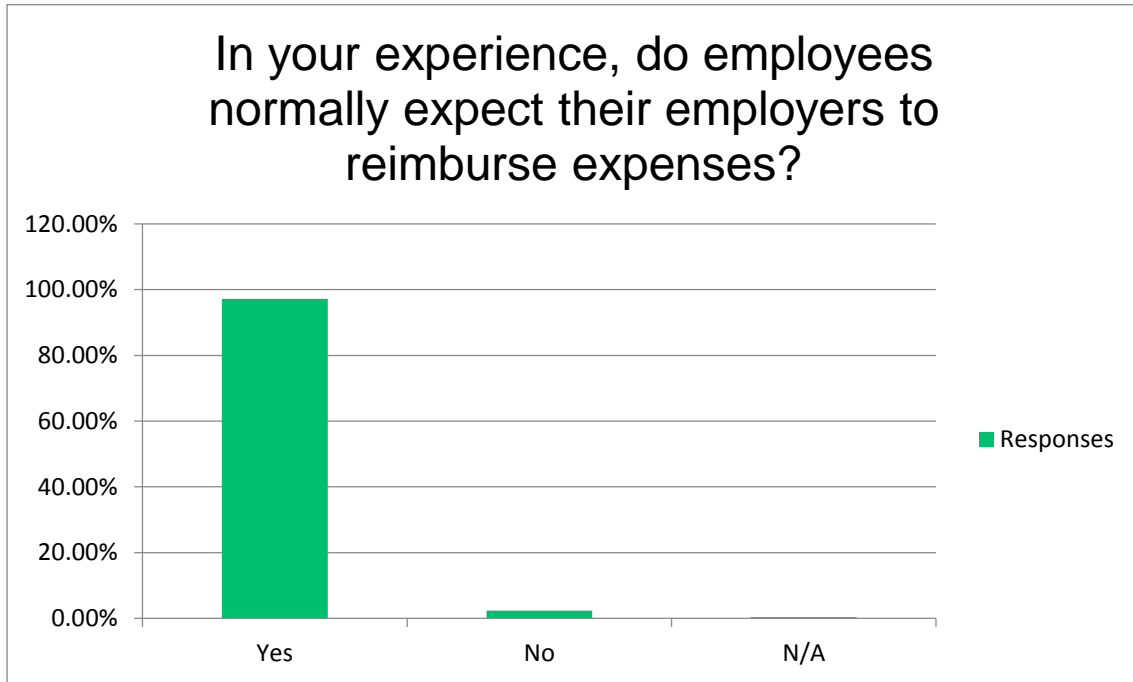
Home telephone and broadband charges for sales staff not based in the office

Equipment for use in employment e.g. tools or consumables that have run out.

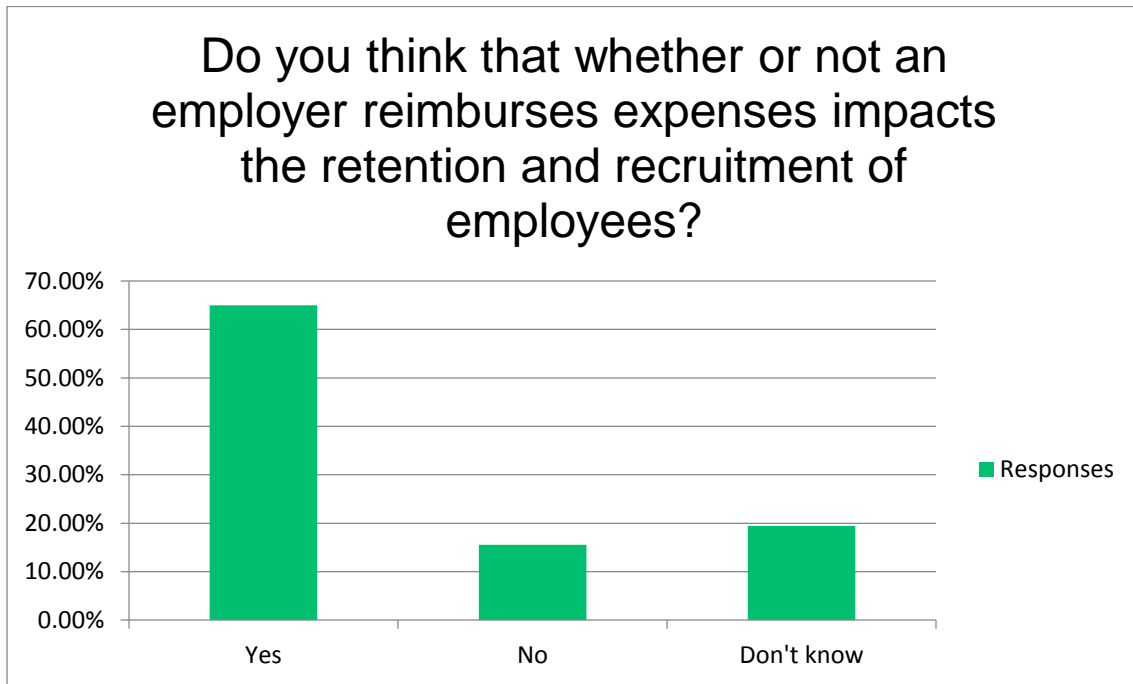
training and update courses



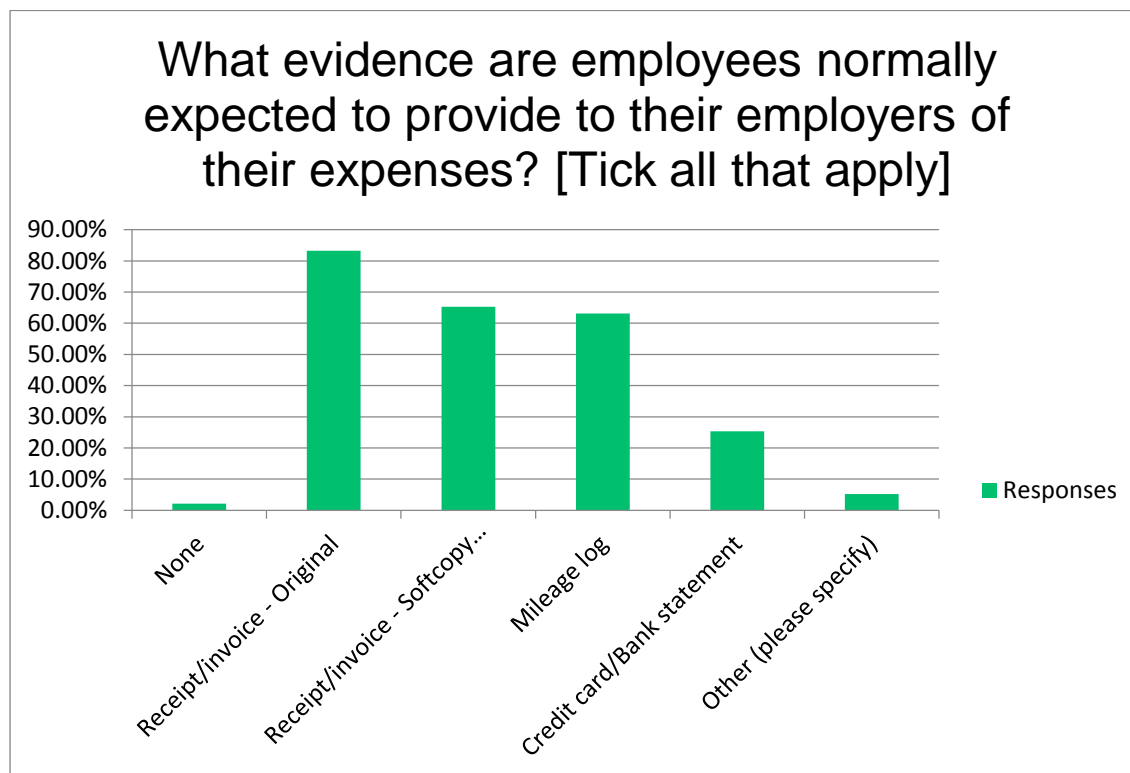
Q14 asks whether or not employees generally expect employers to reimburse the expenses they incur.



Q15 considers whether employer reimbursement affects staff retention and recruitment.



Q16 asks what evidence of expenses incurred employers usually expect from employees.



Examples of other evidence required provided by respondents include:

Anything that proves the expense was incurred.

generally they are expected to provide what HMRC guidance requires for IT/VAT

Company credit card statement with receipts

I have worked for >1 employer who checked claimed mileage using an independent route mileage verifier program.

In director only cases I expect to see invoices and mileage logs. Don't know in non-OMB cases.

Generally, they want reimbursable expenses booked on the corporate credit card, in addition to providing original receipts.

Itemised phone bills

Expense claim form

If the original receipt is not available, then a credit card or bank statement can be used

Travel calendars, online flight tickets

Alternative evidence if an invoice is not available or lost.

Completed expenses claim form detailing reimbursable expenses incurred including mileage

Email confirmations

I've only been asked for a bank statement to reimburse professional fees.

Written on timesheet where & when stayed out

Reconciled Bank statement if using Company card

Completed expense claim in the format set by the employer

Expense sheet

Statements for travel where Oyster card/contactless card used

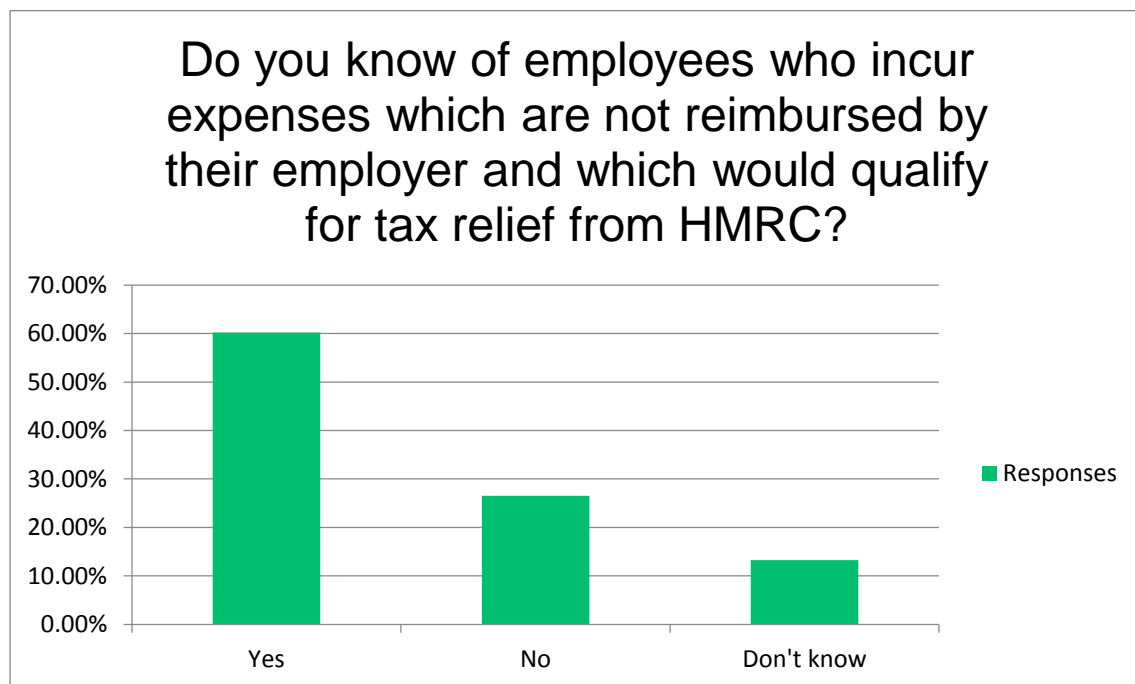
Sufficient evidence to show that the expense was actually incurred at the time claimed.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

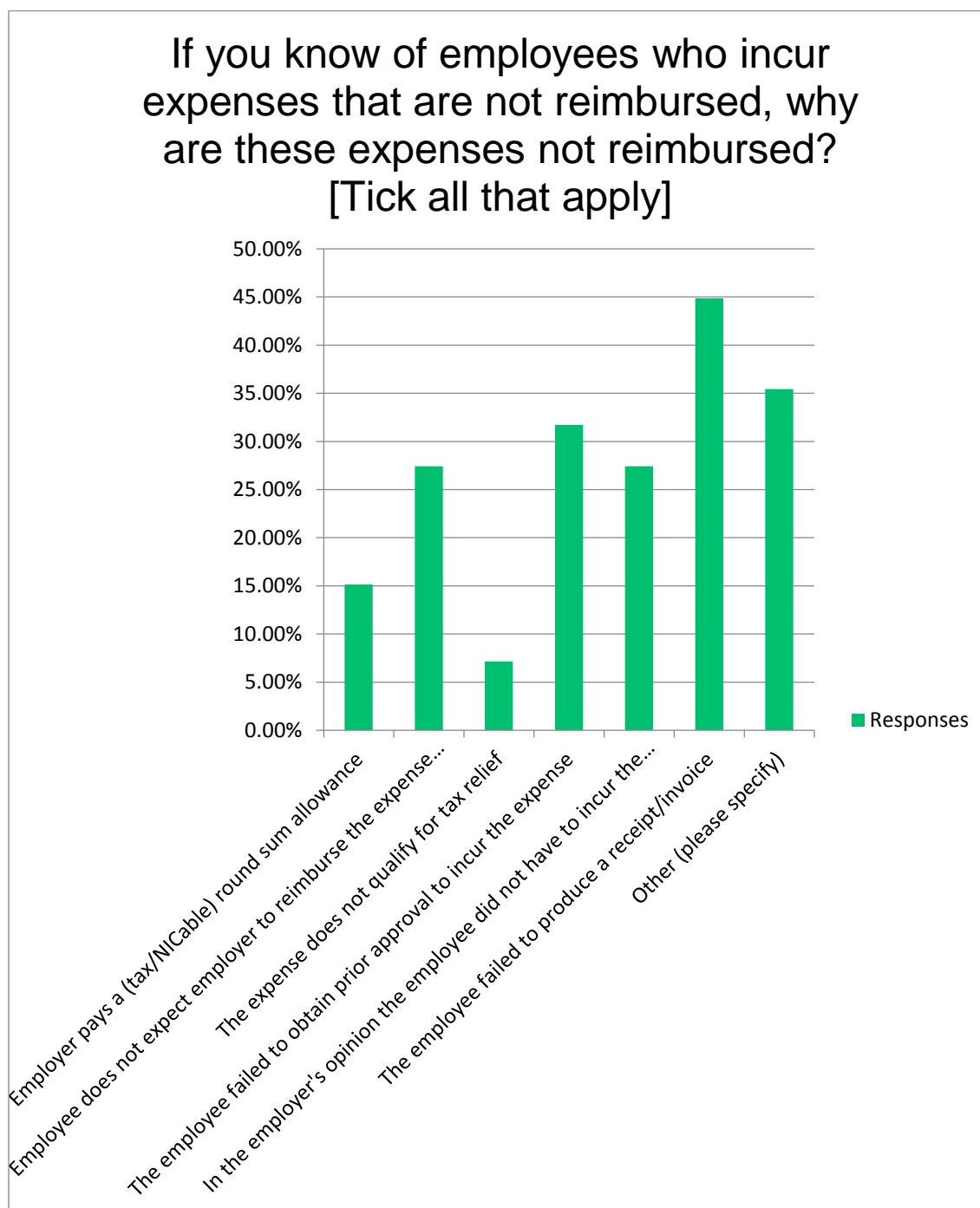
Completed expense claim form

Ideally original receipt and mileage log. Other proof may be accepted. Where employee is generally very good with receipts and has lost one or two, reimbursement may be made on provision of details e.g. parking, subsistence

Q17 asks whether respondents are aware of employees that have incurred qualifying expenses that have not been reimbursed by their employer. These typically include professional subscriptions (either none or only one reimbursed is common), business mileage (either not at all or only partially reimbursed – this is very common), business travel, overnight subsistence, travel and subsistence on secondments, home office costs, clothing and laundry costs, provision of tools and equipment, safety and protective equipment and clothing, training costs (e.g. CPD), business entertaining, telephone/mobile phone costs and broadband costs.



Q18 asks why the expenses are not reimbursed by the employer.



Other reasons for not reimbursing the expense provided by respondents include:

Policy which limits the amount reimbursed

Often the information is not given to the employee

Employee did not claim

It is of course up to the company what expenses they choose to reimburse. Some choose to reimburse less than others. Re Q19 below the answer is sometimes which is why the tax system needs flexibility to allow employees to claim tax relief.

Employer policy

Not company policy to reimburse these types of expenses

Employer feels that the expense is the responsibility of the employee

The employer chooses to limit its costs by requiring employees to bare the expense themselves

Employer unwilling to reimburse - advises employees that employees should bear the costs (threat of job loss)

Firm policy

The employee doesn't chose to claim the expense

Employee does not make a claim

Mileage allowance may have been set below HMRC approved rates.

Employer just doesn't want to pay out

Company policies to reimburse for e.g. 36p per mile rather than 45p

The employer normally determines the costs in the host location are for the employee's account, as may not be maintaining a home near their permanent workplace (e.g. when on overseas secondment)

Employee simply did not present or forgot to present the cost to the employer

Outside of expenses policy, personal choice of employee

It is often a corporate policy - e.g. company wishes to minimise administration or doesn't necessarily have a UK expense policy.

Company policy based on overall costs for business

Policy decision - presumably due to cost to the business

Employer made decision not to reimburse

Expense is not within the policy

Employee not aware that they could claim.

Employer pays less than HMRC agreed mileage rates

The employer doesn't reimburse expenses and expects the employee to bear it.

Minimise costs

Small employer with limited budget!

Employer will not reimburse

It is the employer's policy not to reimburse a particular type of expense

Policy decision

Employer doesn't pay the full amount of AMAP

It is in the company's policies not to reimburse that particular expense.

1. Not worth the hassle. 2. Peer pressure

Because the employer generally thinks that they can get away with not paying - or that HMRC will 'cover it'.

Employer choses not to reimburse

The employer expects the employee to incur the expense

I would expect that these additional claims come from people using umbrella companies and other schemes when they should be PAYE.

Some just do not reimburse business mileage

The employer policy is to only pay certain mileage claims

Commercial - Company decides as policy it's not a good use of money to pay for the expenses

Employer leaves it to employees to reclaim direct from HMRC

Employer agreed that they do not reimburse this expense

The employer considers that the employee should incur the expense as part of his/her personal work-related cost such as wearing appropriate clothes, commuting to a workplace and holding professional qualifications linked to the work performed.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Company does not want to pay expenses

May exceed the Company's limit on what they will reimburse

Employers expect employees to support the business

The employer tries to keep his costs down albeit unfairly

Employer knows that the employee will fund the expense personally whether or not reimbursed.

Admin convenience

Simply company policy

The employer has adopted a deliberate policy of not reimbursing because of the cost they would become liable for.

Employer pays less than FPCS rates

Internal rules that say mileage will be paid at a set amount not at HMRC levels that save the company money

Employer does not feel obliged to reimburse

Company policy

Employer policy only covers some expenses

Employer expected employee to claim tax relief. Not usual for sector and I do not know why this policy was formed

Prior agreement between employer and employee that a certain expense would not be reimbursed

Some contracts not agreed to reimburse

Expense is out of policy i.e. only agree to pay one professional fee but have 2

Employer pays less than scale rate

Employer exploits worker

HMRC system too complicated and/or too onerous so don't bother to claim

Employer rates less than HMRC approved rates

Subsistence rules often applied less generously than tax relief allows in many sectors

In some cases it is just agreed / accepted that the employee purchases something (e.g. NHS nurses purchasing tights which they have to wear for work) and it is not expected to be claimed as an expense.

Reimbursed, but at a lower rate than HMRC authorised.

The employer is too mean to pay the employee.

Not within the company's reimbursement guidelines

The expenses exceed the employer's agreed limit.

Second passports required by some travelling employees not reimbursed due to "dual use"

Not included in employee handbook

Considered to be part of job reflected in salary

Sometimes they just expect employees to suffer the cost themselves

Some employers don't want to pay the expenses

It is not the employer's policy.

Employer puts a limit on what they will pay for

The employees have not reached a sufficient level of seniority

not aware of any expenses not reimbursed

The employer has specifically said they will not reimburse

Cost control

Mileage allowance

Employer is not willing to pay them. It's not company policy.

The expense claim was submitted too late

Expense exceeds agreed maxima for reimbursement



## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

They don't want to incur the cost

The employee doesn't always submit a claim

Employer(s) pay(s) below the HMRC allowance

The employer pays all company car entitled employees AFRs regardless of whether they have a company car

Despite having a policy to the contrary I was told that the company did not reimburse these expenses!

Employee's salary is an all-in amount to include her costs of running things

Employer pays at set rate lower than actual cost

Not within contract or Employment Terms

Employer policy

Not in line with expense policy

Outside of policy

Mileage allowance paid less than HMRC rate

HR policy

Outside the scope of an expenses policy

Because the amounts involved are low, there is no policy of reimbursement and the employees do not ask

Not within expenses policy.

Not part of contract

Employer has a policy not to pay the expense i.e. subsistence when working at a temporary workplace

Employer paying a lower rate than HMRC AMAP rate and employer using Triangulation rule

The contract of employment stipulates certain expenses that the employer will not reimburse and must be met fully by the employee

Ignorance of employer and not communicating with employee.

Policy not to reimburse as it would create profit for the employee

Employer tries not to reimburse wherever possible; employer feels that it should only have to make good anything over and above what the employee would normally pay out to get to work in a day/week/month

Employer does not want to administer claims

The employer does not explain to the employee that a claim can be made

Not part of policy

Tax relief level is higher than the additional cost to the employee

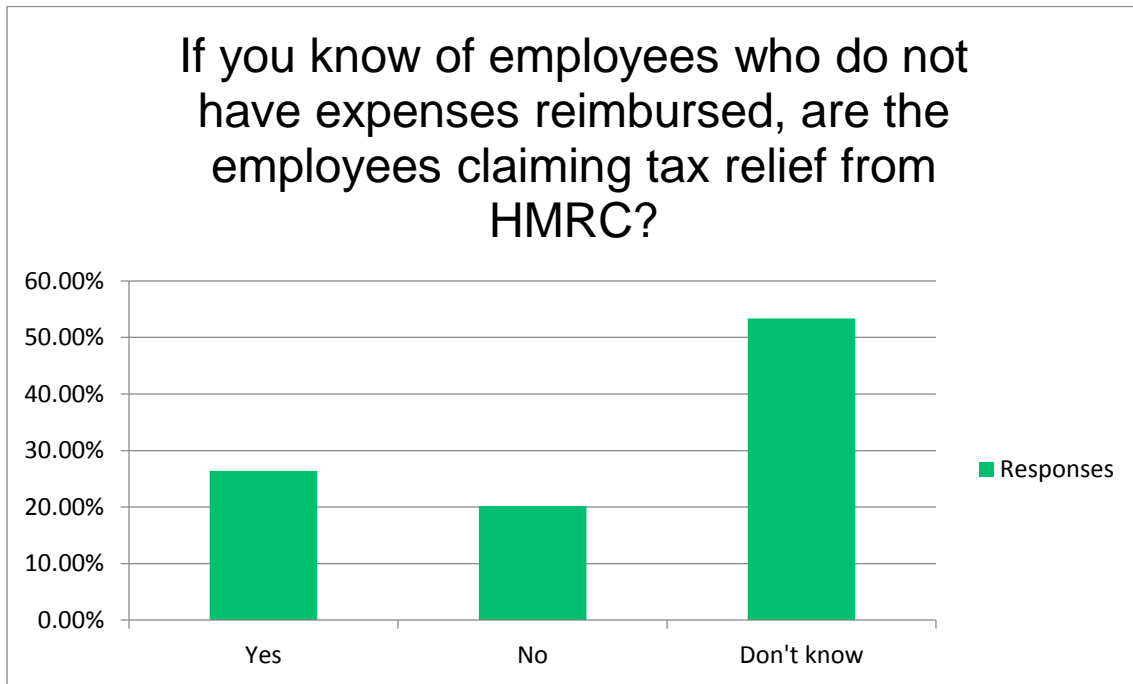
The employer will not reimburse them

Organisation policy

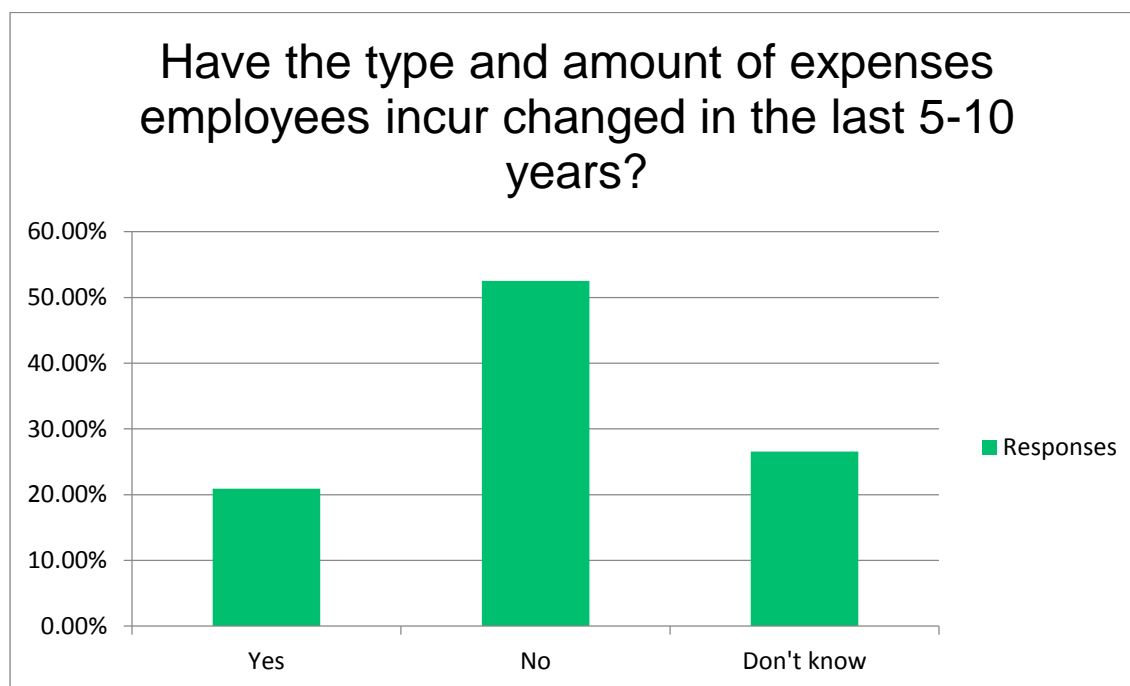
Employer can set any rate for business mileage, so keep costs to a minimum

Employer too mean

Q19 asks whether employees are claiming tax relief on non-reimbursed expenses.



Q20 considers whether the expenses employees incur have changed over time.



Reasons given for changes in the type and amount of expenses incurred provided by respondents include:

More use of phones, other technology, Internet services than 10 years ago, possibly more home working so more work from home expenses

Less telephone costs owing to issue of company mobiles & use of electronic communication media

More claimed in respect of employee subsistence but arguably it is more in the nature of reward

We act for a number of 'one man' companies and the view taken by many directors of such companies is that they can claim anything and everything from their company with no personal tax implications; and we need to advise them that is not the case

Less company cars so more mileage claims

Expenses relating to electric vehicles

More home as office costs as technology allows more remote working

More homeworkers/mobile employees expecting to be reimbursed for travel to a workplace and accommodation whilst there.

Employees mobile phone used for employers business - less prevalent

With changing technology, I would suggest use of own mobile may incur business searches etc using data.

Required to have internet access and device for remote email contact, more people required to work from home or flexibly

More work being done from home.

Employees are driving more, away on business more, but are now claiming for phone costs much less because most have employer provided mobile phones. Also employees don't expect to be out of pocket at all if they incur any expenses that they think has a work purpose. For example claiming for an in car phone charger for their Company mobile phone

Amounts have generally gone up (inflation).

Lunch allowances. Limits on lunch and dinners

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Mobile phone

Internet

Companies are increasingly providing cash allowances in the first instance. The change in working patterns means that more people potentially qualify for temporary workplace relief (detached duty relief) than was the case historically.

More transient and mobile workforce

Electric car charging expenses.

More work from home. Plus actual cost of the expense is relatively high compared to 5-10 years ago.

IT costs and broadband

Relocation benefits

More staff are being encouraged to work from home to improve productivity and reduce the need for office space.

Mobile Telephone & internet costs more widespread. Travel expenses of a wider range of employees due to changing nature of employment, e.g. agency working and greater personal service employment.

Increase in internet services at home to facilitate home working.

Probably ongoing from consultants using umbrella companies through recruitment agencies.

Company car not as common so mileage claims increased. Telephone contracts now such that the identification of business calls not an option for reclaiming (global contracts for calls, texts and data usage)

The sums are increasing.

Mileage - people can't be bothered to register for self-assessment to claim a small amount of business mileage that they didn't get reimbursed by their employer.

Travel, use of home, mobile

With smart phone technology, mobile phones have become mobile computers often used for the software it runs not just the ability to call and text.

Less entertaining

More types of tech hardware being claimed. More flights abroad for business. More conferences.

More internet /mobile devices and working from home increased.

More claiming use of home and mobile phone charges as employees work from home more.

More prof subs

More international travel

Longer site based assignments

Much more home working now

More common for employees to claim wifi when travelling, also more employees work from home which impacts the type of claims they may make

Broadband and working from home

Use of home as office telephone broadband

More online subscriptions like LinkedIn

Travel expenses have reduced as fewer flights are undertaken due to cost cutting. Entertaining expenses have reduced.

More flexible working including location, means more travel and subsistence, including subsistence related to use of 'coffee shop' workspace

I would say that amounts claimed, particularly in relation to travel and subsistence expenses, has reduced considerably due to employers being much more cost conscious.

Prices have gone up + internet costs more common

Only in as much as cost of living/price increases.

Just broadband

increased in value and number

E.g. digital technology

Employers are cutting back on what they can afford to reimburse, so the employee is left picking up the cost

Mobile phones are much more important now.

Less use of petty cash for small amounts - increased use of employees credit cards to avoid setting up new suppliers

Affected by changes in rules for travel, motor costs etc.

Everything goes up - cost of heating, telephone charges, cost of accommodation, cost of eating out or even a coffee/tea on transport, airline not providing food as included in the cost of travel, etc.

More mobile phones, different charging structures

Broadband /internet costs

More electronic costs

Training costs as noted above

Less is reimbursed now than it was - e.g. fuel costs, business travel, training. It seems that it is the norm now whereas it didn't used to be.

1. Phone costs tend not to be incurred because business calls are now made on mobile phones that are on bundled contracts - i.e. there is no additional cost of making the business call.

IT related hardware and software where there is a challenge between private and business use (e.g. apps on phones and tablets)

More expenses incurred as more responsibility passed to employees

For example, underground trips by contactless card - no receipts, just appears on bank statement.

Entertaining expenses have significantly decreased since 2008

More digital expenses in use of home e.g. electricity, broadband and less stationery. More use of personal mobile phones, computers, tablets etc.

Less entertaining expenditure, more cost effective travel expenditure.

More home based expenses not reimbursed.

More care workers are travelling between clients' homes and not being reimbursed.

Contactless - no receipts

With the increase in home working there is an increase in the amount spent on setting up an appropriate working environment. Often employees will spend more than an employer would consider necessary, but they like to have a set up that suits them, so foot the bill themselves.

More scrutiny and use of company credit accounts than for goods to be purchased by employee and reimbursed, by- passing purchase order system.

More professional fees/subs

More working from home

More mileage in private cars as less staff have company cars

More employees work from home. The system should recognise flexible workplaces.

Mobile and broadband costs are tricky as it is difficult to separate out personal and business elements. Many employees not being reimbursed for mobile telephone.

Computers / mobiles / working from home

Use of internet and mobile phones bought personally

Mobile phones are becoming more common

Oyster / Contactless for Tube travel.

More people are working from home and wish to claim for the additional costs incurred than 5-10 years ago.

Mobile phone / connectivity expenses

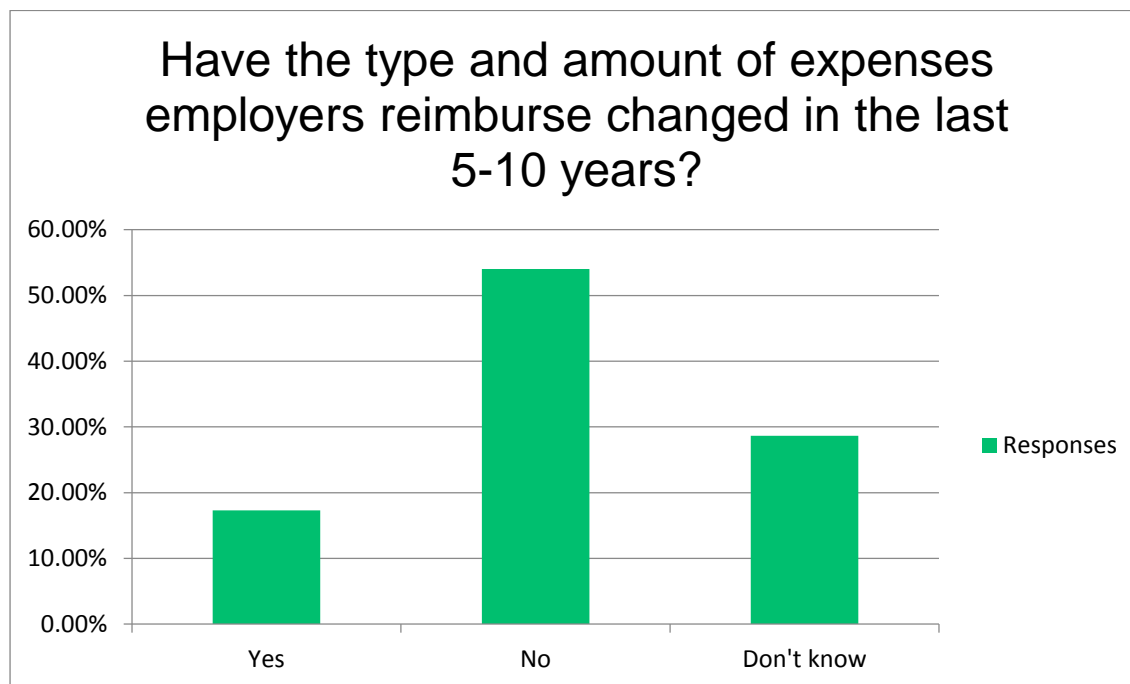
More home working has meant more emphasis on maintaining offices/workplaces for employees at their home rather than a centralised workplace

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Staff in our organisation are expected to make all of their own travel and accommodation booking and then reclaim the expenses.

CPD costs for doctors have increased substantially

Q21 considers whether the expenses employers will reimburse have changed over time.



Reasons given for changes in the type and amount of expenses reimbursed provided by respondents include (generally, the reasons are the same as for the previous question):

We filter claims so only those that are allowable for tax purposes; or are subject to tax as a BIK or similar are actually paid out by the company.

Less company cars so more mileage claims

1. I think, from job ads, that more employers are paying home office allowances, as remote working becomes commoner. 2. In 2004-08 I was required to work both taking phone calls and handling emails (with large attachments) from home, two evenings per week, and my employer paid for my home internet subscription as an employment expense, which I recall was £14.99 a month. This was treated as a business requirement and so not a taxable benefit (the broadband connection was wired, had a separate line, a much higher data limit than I would have needed privately, and no Wi-Fi in those days so limited family benefit). All of this has of course moved on and on my return to the same job and employer recently, now working entirely at home, it was taken for granted my home would already have Wi-Fi broadband and no reimbursement was offered for this private cost (it is essential to doing the work and if I had low data limits (I do not) that would potentially impede my working from home, but almost all employee homes now have generous broadband so it could no longer be justified as an exceptional business need.

Employers are looking to control costs so are choosing not to reimburse some costs such as professional subscriptions.

Amounts change according to the costs involved. Some new costs are to keep pace with changes in technology.

Phones & Broadband

Amounts have generally gone up (inflation).

My suspicion is that employers are controlling costs more tightly than once they were but I don't have any real evidence for this

Many employers have encouraged cost savings by limiting the amount of business entertaining and attempting to reduce need for business travel.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Amounts change based on differences in business operation e.g. more international travel; above inflation increases etc

Recognition of different ways of working and of general expectation

Electric car charging expenses.

Relocation benefits reimbursed is normally higher currently

More staff are being encouraged to work from home to improve productivity and reduce the need for office space.

To this and the above question, the answer is "yes, but only to a small extent". One such example is Oyster cards and more travel as employees become more mobile.

Employers are now less likely to reimburse expenses without documentary evidence as a result of perceived greater compliance problems

Increase in internet services at home to facilitate home working.

With smart phone technology, mobile phones have become mobile computers often used for the software it runs not just the ability to call and text.

Less entertaining

Employees are travelling more in the course of their work, increasing expenses claims

Gradually more employers have moved towards paying HMRC guidelines for fuel on employees.

Employers more open to expenses incurred.

Clearly the amounts have increased over time and employers are being more critical at reimbursing expenses if they can save money.

Times are tough - if employers can get away without reimbursing things then they will do

Home working expenses may be reimbursed some of which may be taxable although they are only reimbursed as an employee works from home

Employers are always looking to minimise/reduce both the quantum and type of expenses reimbursed. For examples, newer employees' T&Cs are restricted further so that lower amounts of, say, mileage and subsistence claims, are paid.

There was a policy to pay some professional fees at line managers discretion for membership related to academic's discipline []. As the employers have faced deficits they have decided not to reimburse these, this also seems to have related to an increase in the volume of teaching in professional fields and consequently in the number of people with professional memberships.

More working from home

Use of home as office

More online subscriptions like LinkedIn

More restrictive on entertainment and level of spend generally

Tighter policies on amounts reimbursed for things like travel and subsistence mean these amounts have reduced in my view. Much tighter record keeping controls are also responsible e.g. requiring itemised bills for client entertaining.

An increase in the tax and NIC costs to employers - e.g. company cars and fuel have also driven employer behaviour

Most expenses have increased in value

Only in as much as cost of living/price increases.

Use of home office payments removed from policy

Payment for telephone calls only allowed with evidence of increased cost to employee

No receipt no claim payment

More employees expected to travel economy class and stay in budget accommodation in order to reduce cost to the business.

Limits and amounts are tighter

E.g. digital technology



## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Employers are cutting back on what they can afford to reimburse, so the employee is left picking up the cost, e.g., mileage, professional subscriptions etc

Amounts reimbursed are higher.

Employers will pay for less types of expenses and do not increase the amount they will cover - e.g. they used to pay up to say £10 for lunch when on business and say £25 for an evening meal. Where can you get an evening meal in London for £25 these days!!

The allowances set have been changed

In the field of travel and subsistence more and more employees are working away from their normal place of work with higher travel, hotel and subsistence costs. Where the company has prompted the move any additional tax costs (as a result of breaking the 40% / 24 month rules) are being met by employers as employees, quite understandably, consider such reimbursement as business expenditure. This significantly increases the cost of recruiting and maintaining a mobile workforce. They have not changed it is just people are finding out that they can claim for industry standard expense deductions. We have had a number of clients who have made claims for uniform cleaning etc expenses for 7 years on the advice of a union or third party.

Employers have introduced smaller limits

Mobile phones not always reimbursed now - it's just expected that staff will have them. 45p a mile feels too expensive for employers.

I think employers in general are trying to minimise costs therefore employee expense claims are targeted

Don't know for certain, but with staff retention becoming more important, employers are having to find new ways to attract staff.

More expenses incurred as more responsibility passed to employees

Travel and subsistence expenses for agency workers

Employers more inclined to approve more cost effective travel expenditure, i.e. car sharing, buying cheaper travel tickets ( i.e. booking ahead and/or booking economy sad opposed to premium/first class)

More detailed expense policies on what is expected which stops the ad-hoc expenditure on goods

More working from home

More mileage in private cars as less staff have company cars.

Some employers no longer reimburse genuine client entertaining as no tax relief for the company.

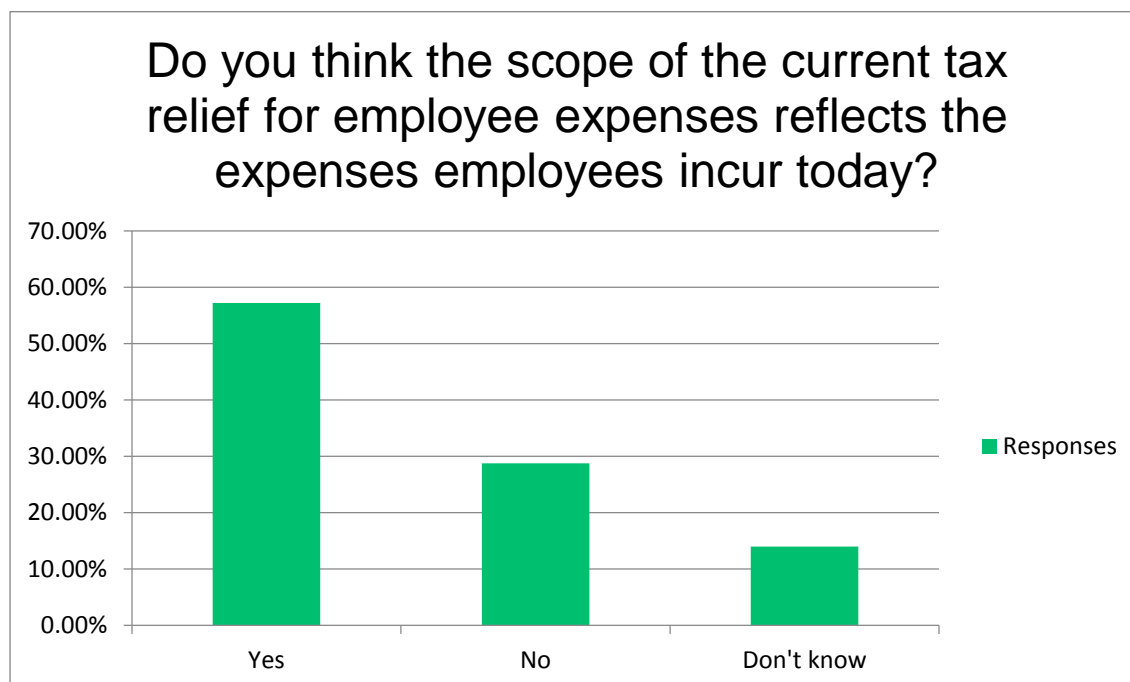
Meetings often take place in cafes and homeworkers.

I have seen changes where employers have cut back on expenses reimbursement, expecting employees to incur the full cost personally rather than reduce pay.

Less generous travel and subsistence, e.g. caps on amount reimbursed for meals. Less likely to reimburse overnight stays

Mobile phone / connectivity expenses

Q22 considers whether the scope of the current tax relief rules reflects the type and nature of employee expenses being incurred today.



Examples provided by respondents of why the current tax relief rules are out-dated include:

Rules are updated and based on fixed office/site work. Employees more mobile with multiple places and work from home. Rules in this area are complex and frequently mis-applied both by clients and HMRC.

Early starts (e.g. to prepare for meetings) and late night working can often necessitate hotel accommodation near permanent workplace. Rules for reimbursing travel costs for employees with more than one permanent workplace are sometimes unduly harsh. The tax rules don't take into account the enormous costs of moving house for work purposes, thus many employees endure long and costly journeys to work after changing jobs.

Current inflation has rendered some monetary limits for certain expenses very out of date, e.g. the £8,000 ceiling for relocation costs or the £5 per night limit on personal incidental expenses incurred on business trips.

The rules around subsistence versus entertaining versus reward are not clear

But there is a perception that one ought to be able to claim for a range of expenses that in reality have nothing to do with actually performing the duties of the employment; more with what are currently considered personal e.g. meals; travel. And the 'ambulance chaser' type of advisers who target specific types of expenses - e.g. recently there has been a trend to advertise being able to claim for cleaning clothing - even where there may not be a uniform supplied.

Mileage & subsistence – yes, use of home as office - the relief is inadequate

There are examples where tax rules don't keep up with technology. For example no accepted mileage rates to reimburse private fuel in vans, where a car is electric no mechanism for reimbursement of electricity when paid for by employee.

Home working particularly internet /broadband packages and provision of computers and associated equipment

Home broadband etc.

More use of IT equipment today

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Most employers expect their staff to have a mobile phone and to use it for business  
The £8,000 limit on relocation expenses is completely out of date and should be increased significantly

Subsistence allowances are too small

Relocation policies / costs - relief is only available if the company actually pays the costs.  
I believe there should be greater scope for claiming expenses of home working - e.g. using own computer at home. Most of my colleagues work at home through choice, but not as a necessity of their role.

Limits are too low

More home working and flexible contracts

Employers will nowadays have employees whose job requires them to travel to multiple workplaces reasonably frequently, which start incurring a tax charge under the permanent/temporary workplace rules.

Do you mean where expenses are reimbursed or not? The relief for expenses that employees can claim, where there is no reimbursement, is too restrictive.

Use of home as office £2 a week? Otherwise go through complicated calculation (for most). Should agree more reasonable figure for expenses to include.

Limited exemptions for childcare/childcare vouchers/tax free childcare schemes provide a measure of relief for costs incurred by working parents but fall short of giving tax relief for the full costs incurred at the employees marginal rate of tax

Commuting rules are restrictive and do not match the flexibility of travel patterns

Commuting should be a reimbursable tax allowable expenses given the need to find work in a large travel to work area. This is not an employee choice in the modern employment market but an essential cost of work

Far more working from home and use of own rather than employer provided mobile phone.

Frequently the employees contract is not properly worded regarding an objective requirement to work from home

IT and broadband costs, Some forms of travel. Standard subsistence costs are totally inadequate. Mobile telephone contracts. If business calls are within the contract then no additional expense is incurred and no claim can be made. If an employee uses their minutes on business calls and then goes over their contract with personal calls they cannot claim for the cost as they are not business calls. However, if it was not for the business calls, they would not have gone over their contract and incurred additional expenses, which they cannot claim for as those business calls did not incur a charge when looking at an itemised charge. Most employees do not get itemised bills and have to request them. They will quite often not bother to make a claim as it is seen as too much hassle to make a claim by getting itemised bills etc. They also may go over their data allowance on their personal mobile phone contracts if they have to use their data for business. For example; using the internet while away from the office, using the internet for Satnav for finding customers/business meetings. This cost is even harder to prove if it was for business, but again it might be that business use means that the personal use goes over the contract amount. But if it wasn't for that business use the personal use would not incur an additional charge.

There are more types of mobile computing which the employer might provide, or pay for. Otherwise, I think that subsistence, entertainment, travel and accommodation are the main types still.

Networking and customer entertainment is important these days and should therefore be part of tax deductible expense.

The issue of mobile telephones and business use needs to be revisited as contracts do not usually lead to business calls / internet use being easily identified, and yet there can be additional costs when using personal phone for work e-mails etc.

More and more people work from home and get nothing towards running costs.

Fixed amounts are too low and have not increased for many years. Do not really reflect working from home, mobile phones etc

Working from home, having dual place of work

Mobile phone and broadband rules are woefully outdated, and a proportion rule should be applied. The discrimination against employees in the tax system is woefully out of date. This is particularly so with things like relocation costs and training costs.

More and more people are using their own mobiles for work. Particularly those in business development that want to keep their own contacts if they move jobs. More and more people work from home too. It doesn't make sense that the employee work from home and the self-employed work from home rates are different. The costs should be the same?

Most of the flat rate expenses have been around for some time and are out of date, there has been no or little effort to increase these with inflation or to consider the actual cost to the individual sectors that these apply to. No one solution fits all.

Use of home for out-of-hours work-related email and internet activities using private smart phones, computers and broadband/cell phone data connections.

Commuting expenses the obvious one

More tax reliefs available than expenses actually incurred.

Many employees work "on the road" and visit coffee shops etc to use Wi-Fi and facilities. These may not be allowable if not reimbursed but are a factor as they are not in the office but employer is not covering coffees etc which they would do if they are in the office.

Lots of home office expenses are difficult

Use of home, mileage costs,

Subscriptions are very tight relief currently (List3) and as business is becoming a far more face to face relationship, personal subscriptions to networks/social media is much more commonly used.

The rules on what is and isn't allowable regarding entertaining are not very workable for the recruitment industry

Sometimes employees are unfairly penalised for journeys that are predominantly business related but due to the nature of the route taken tax relief is not granted.

Similarly some subsistence payments for those employees/directors that undertake duties partly overseas do not attract relief when perhaps they should.

The rules generally could be simplified in many areas.

Travel rules do not reflect modern work practices - e.g. needing to cover 2 or more sites, or being based at home

Data usage and personal communication devices where the contract is in the employee name needs to be more easily administered so as not to discourage employee claims.

Yes, now it includes the trivial benefits exemption.

Current travel rules are out of step with employee working patterns & arrangements. Better rules on home working & what a permanent place of work means are needed.

Business use of home broadband.

increasingly the need for mobile tech, home working and connectivity

Many training courses undertaken by employees are not reimbursed by employers, and the full cost of the courses are therefore not eligible for a tax deduction

Employee personal mobile phone costs are a particular problem where there is no tax relief for the contract cost even though most of it relates to business calls/data

45p a mile for the first 10000 miles and the lower rate of 25p does not cover the costs to the employee

Inadequate and discriminates against employees with high expenses not reimbursed

£8k relocation allowance could possibly be higher if emigrating to a far flung part of the world.

Rules are anomalous, such as doctors cannot claim for medical courses to update knowledge unless their employer requires them to attend. This is ridiculous

Mobile phones and working from home are becoming much more prominent. People often have large mobile phone contracts which are, genuinely, mostly for business.

People also make offices at home. It is not unusual to buy office furniture and a new computer to facilitate home working.

The problem here is duality of purpose. There is no easy answer. But the successive Governments profess to support family life, then offer no incentives for employers or employees to make the shift to better home working.

There is more scope for home working now and that can affect the amount of additional expense employees incur in a variety of ways.

Mobile phones

What is business travel in the multi-site world of current business/ more than one normal workplace  
Rules don't really cope with increasing practice of working from home and use of technology - phones, computers etc

Travel is difficult where the rules on temporary workplaces are not clear. Where an employee's duties are genuinely split between two locations, one at a significant distance, it seems unfair if tax relief is not available for travel to this remote location.

Employees are not aware of the "wholly exclusively & NECESSARY" rule - it is the last part that confuses them.

In general it works fine but not in the area of travel and subsistence.

Employees more likely to use their own devices and work from home

Employees travel much more and are more flexible. New HMRC scale rate for meals is even less flexible with amounts set by times. Why is there not an overnight rate for in the UK, yet we have a massive list for overseas travel.

Why can't housing for those who qualify for TWR be included?

Use of home expenses are set too low.

Mobile phone contracts with bundled call allowances are fully borne by the employee whereas part of the cost incurred can relate to business use.

Mileage allowances haven't increased for a year but cost of petrol/servicing/insurance have rocketed.

Level of subsistence expenses is low and the de-minimis limits haven't changed since I've been in tax

Most employees use their own computer/phone etc. for work

Mileage rates do not move sufficiently with fuel costs and other limits for BIK etc have not increased for many years despite inflation impacts.

companies today expect more from employees and do not necessarily expect to pay for it e.g. training  
[]

I think some of the technological rules are somewhat out dated.

Too restrictive. Many types of expense are needed for work or simply useful to enhance the performance, but would fail the wholly, necessarily and exclusively test.

Home broadband - to connect to employer for emails etc if working at home.

Personal mobile phone - used for business calls.

I don't believe that the tax system as currently set up easily reflects the actual costs and activities of people who primarily work from home.

All business expenses should be exempt

Mobile phone costs - full relief if the employer provides the phone even if used entirely privately but line rental for personal phones is not available for relief. The NIC treatment of employer provided items compared to employee expenses is also out of line with modern working practices

Travel for work purposes can be very confusing and people are either missing out on expenses because they don't know they can claim them, or are incorrectly claiming expenses. Travel costs impact greatly on modern working practices

More employees working from home due to technology advances.

No relief for Working from home expenses if not paid by employer or if working from is a 'choice' of the employee. Whether it is paid by employer or a choice or not, the current work practices are that

many employees work from home regularly saving employer's work space cost but incur own utility and broadband costs when working from home

Having to have mobile in company name you can't get the best deals always but can't pay if staff name.

Home working and provision of broadband at home.

Not for the 21st century.

Use of horse referred to in legislation.

Telephone and telephony is really difficult - small businesses prefer not to incur the higher costs of business lines but if they reimburse employee for use of own phone PAYE/VAT implications can get very complex. Clothes for work (Mallalieu etc). Training and retraining costs - more common in practice but very restrictive. I know several employees who would like to better themselves (and their employer's business) but employer budgets are too small to allow reimbursement. Employee therefore pays own training costs but cannot then claim relief or travel expenses (although might have been able to as self-employed person). This is very common scenario in Education and Healthcare.

Mobile phones are an issue where there is significant business use but calls are within the contract.

Costs of commuting should be allowed for tax purposes.

Work practices have changed including more home working and as generation z come on stream the requirement to fog to an office is less common. Mobile phones are also one area where the difference between a contract being in the name of the company v the individual is outdated. there is no commercial difference especially for director/owners

Training

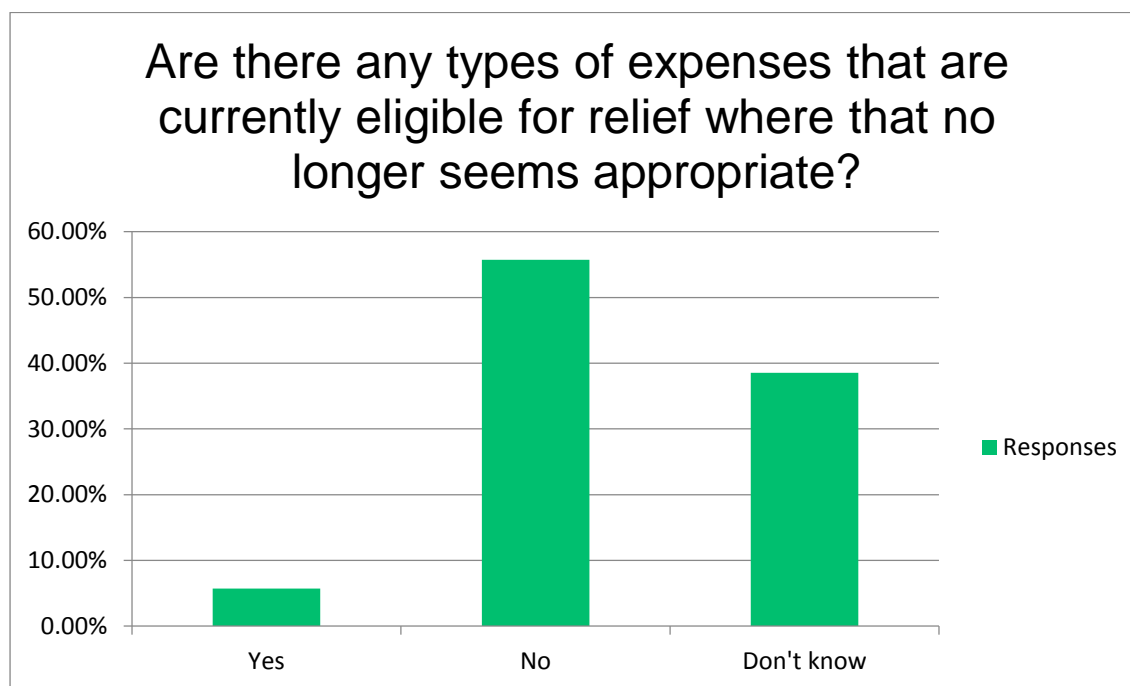
It isn't that the current arrangements don't reflect the expenses that employees incur, it's just that the availability of information from HMRC is poorly provided to employees. Even on Gov.uk, the information can be too vague and confusing for members of the public to understand and utilise.

Needs to be simplified

Employees work longer, more unsocial hours. They use their personal mobiles, both during the day in the office and at home in the evening, yet the employer does not reimburse costs for mobile/Wi-Fi usage at home. Employee cannot claim use of home as office unless it is mentioned his the Contract of Employment.

Continuing education and appraisal costs

Q23 asks whether there are any existing tax reliefs that are no longer appropriate.



Examples provided by respondents of out-dated reliefs include:

Some of the incidental overnight expenses seem out of date.

Gas guzzling, polluting double cab pick-ups being treated as a van for tax purposes so eligible to get home to work tax relief, or very low BIK if available for other private use - where someone using a much cleaner car for the same journey gets taxed on it/taxed more heavily respectively. Unfair and definitely abused!

Remove the grey areas for homeworkers

15p lunch allowances

Standard deductions in some industries for £60 per year for uniform or cleaning, tax relief equates £12, not economic to claim

Newspapers!

Keeping a horse

Subsistence whilst in the U.K. and not staying overnight. With the availability of more coffee shops etc it seems unnecessary for an employee to be able to claim for their lunch. With the loss of staff canteens this makes it all the more ridiculous (e.g. no additional cost to the employee).

Parking - from an environmental viewpoint, car use should be discouraged, so allowing free workplace parking is outdated.

Per diem overnight allowance 5gbp and 10gbp. It would be better to move to receipted sums.

Removal allowance of £8,500 was around 30 years ago, time for an uplift. I'm sure that there are many more that could be increased/removed.

Mobile phone calls, use of home, stationery

Daytime subsistence

Bike rates for mileage

Luncheon vouchers

Some are of limited application - e.g. workplace canteen

Canteen vouchers...

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Newspapers at hotels.

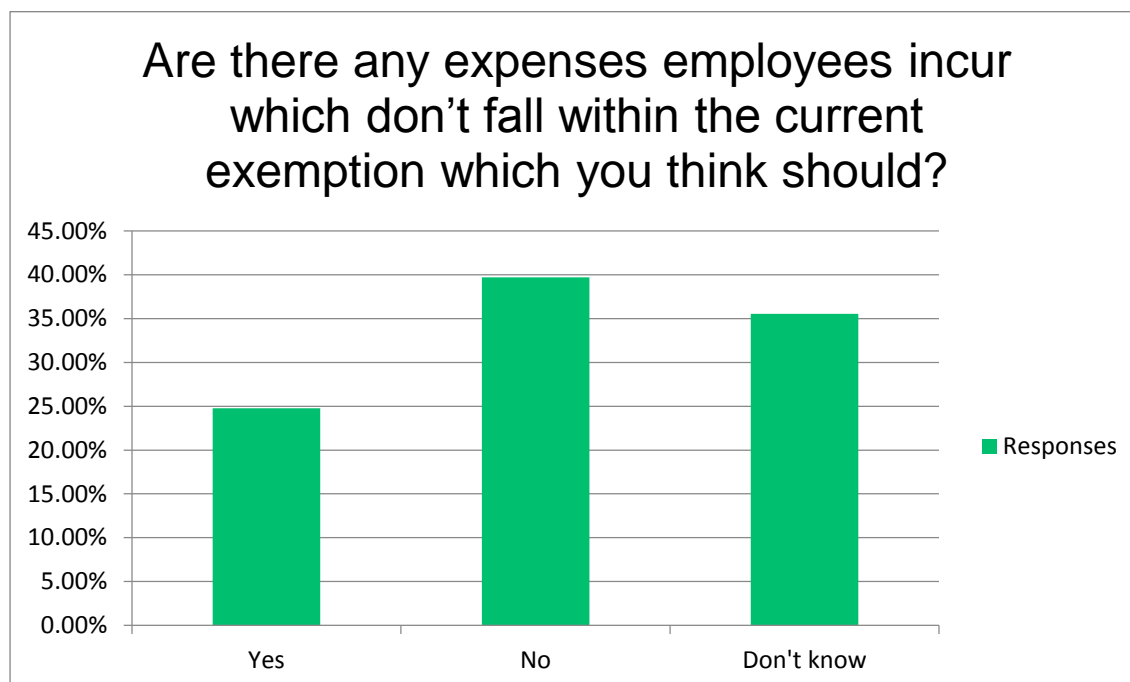
Daily meal vouchers

Horses?

Majority of daily subsistence allowances. Most people now no longer provide their own food at lunchtimes but buy from third parties.



Q24 asks whether there are any expenses which do not fall within existing tax reliefs that should be permitted.



Examples provided by respondents of expenses which should receive tax relief include:

Medical professionals incur a lot of their own expenses which are not all eligible for relief (e.g. some of their educational courses/exams)

Mobile phone contracts - monthly free minutes not allowable despite offering value for money and tending to be the norm.

Mobile phone charges - the billing generally means that the number of calls/texts is irrelevant so private use of work phone is usually insignificant in terms of cost.

Costs incurred with professional development or increasing one's knowledge of the duties of the employment - e.g. professional publications; reference books.

Access to Wi-Fi whilst travelling.

Employers generally expect employees to have home broadband etc so that they can work at home or deal with work matters while at home. I am not aware of employers making a contribution to the cost of this.

Not a direct yes, but some allowances have not kept pace with inflation e.g. authorised mileage rate - how long has it been 45ppm? (for the first 10k).

Business use of own mobile phone - a flat rate

Guidance in relation to lunchtime subsistence should be more generous to reflect the reality of business travel.

Computer equipment - capital allowances should be less strict.

£8k relocation allowance seems very low now

Home working particularly internet /broadband packages and provision of computers and associated equipment

Hotel bills where the cost is above the norm but the circumstances for having to stay at that particular hotel were exceptional and beyond the employee's control.

Travel expenses i.e. what is or is not regarded as ordinary commuting and/or travel between

permanent/temporary workplaces is very complex. It needs to be simplified and made fairer to everyone.

Entertaining - (even as a business expense) should be allowable for tax purposes. If, as is usually the case, it helps generate/promote the business, then more profits would be made and more tax paid so why not allow the entertaining expenditure and relieve businesses from the administration and burden of tracking and disallowing the expenditure.

Most people feel they should be able to claim for specific working wardrobes that fall outside protective clothing.

So many employees have uniforms and there is not the scope to claim for this unless a nurse  
Home leave costs (for people on assignment in the UK) - relief is only available if the employer actually pays for the tickets. This is "unfair" on those non-domiciled individuals who're having to pay their home leave costs directly out of their own salaries.

Travel to temporary workplaces where the distance is greater than the normal workplace but its classed as commuting

Costs of working at home/remotely.

Travel to office on days off;

Home internet

Most expenses that are not reimbursed but which are genuinely incurred for business purposes

Some professional fees that are not on HMRC list - why else would someone pay them other than for work? For me it would be home to office travel!

Commuting rules are restrictive and do not match the flexibility of travel patterns

Commuting should be a reimbursable tax allowable expenses given the need to find work in a large travel to work area. This is not an employee choice in the modern employment market but an essential cost of work.

Relocation costs should be reimbursable in full including excess rents and mortgage for at least 5 years

Company car drivers should be able to claim full mileage expenses for business mileage given they pay tax on the benefit of the car putting them in the same position as a car owner

use of home and use of own assets (i.e. CAs)

Mobile and broadband costs where line is in employee's name.

Staff entertainment needs to reflect the fact that smaller celebrations may be more appropriate than an annual party. Annual limit needs to be increased and then annually increased in line with inflation. Childcare, babysitting and pet care costs which are necessitated by an employee's attendance somewhere for work purposes which means they are not home to look after these children/pets themselves.

Incidental overnight expenses are a bit pointless. Most companies would pay receipted expenses.  
entertainment expenses

Additional software security to work on a home computer and additional electricity costs when working from home.

Personal mobile, where using free minutes for business purposes.

The cost of Broadband is an issue, as the availability of tax relief has eroded due to people taking subscriptions for phone and TV with their broadband, but bandwidth is not considered for the claim, and many will pay for a better service to enable them to work, and that is not so easily identified

Training costs to acquire new skills.

Glasses - if you need them to be on a computer all day then they should be a deductible expense.

All employees should have a laundry allowance, not just those who have a strong Union/Professional body to demand an allowance for its members.

The 2 year travel expenses rule doesn't make sense in my sector where engineering projects last longer than that - e.g. cross rail, nuclear decommissioning...

Gym benefit

Home office expenses

Repairs to employee occupied accommodation

The position on broadband and personal phone contracts can cause problems for some inbound employers that do not have corporate schemes but require employees to use their own phones for work (and therefore reimburse line rental) and reimburse broadband in an employee's own name where they work from home

Mobile phone contract between provider and employee as contracts now include most calls, internet connection etc... Identifying business calls only on an itemised bill is not practical and doesn't reflect the real cost incurred by the employee. The exemption should extend to a personal contract, as some employers and employees are reluctant to switch to a company one.

Working from home - the round sum tax free allowance has not increased in line with inflation.

Training costs for re-skilling or when facing a career change. Given that we no longer have jobs for life and must adapt to an increasingly changing work environment it seems perverse not to reimburse people who self-fund their own training/education.

Personal subscriptions to networks (LinkedIn as opposed to the Gym)

Travel and subsistence shouldn't be so restrictive.

Office items such as tea, coffee, cleaning supplies are frequently purchased by employees as petty cash falls out of favour.

Business entertaining - such as recruiters taking candidates out for coffee at coffee shop - mainly as it is cheaper to buy a coffee than book a meeting room for an interview. This isn't currently allowable but is a normal business expense.

Some travel and subsistence payments - see comments above

Travel to more than one site on a regular basis

Telephone costs are now very unfair. An employee who uses their own phone for work cannot claim unless costs are itemised on the bill - new contracts with bundles do not allow for this. HMRC has not kept pace with this change.

Multi employment / mixed employments - emp position is no longer compatible with wholly and exclusively test. Where does travel between different roles or clients of different roles fall?

Home based employees who occasionally travel to an employer site.

Bring your own device - e.g. app on personal mobile phone instead of a corporate phone

Travel costs to regular place of work - particularly into central London where season tickets can cost several thousand pounds a year.

Personal mobile phone contract costs

I think that limits haven't moved with the times

Work clothing

Home office expenses above the flat rate.

All professional CPD. A reasonable sum for working from home should be paid, not a tiny token amount.

Mobile phone calls- bundled minutes

More than one normal office - multi site roles

Often a requirement to work from home, using broadband paid for by the employee. Strictly not eligible for re-imburement

Parking (e.g. season tickets for parking for work) should be allowed tax relief.

Travel expenses between home and work.

Working from home on an ad hoc basis as opposed to a contractually agreed basis. Many employees work from home outside normal working hours and get no recompense of any description.

CPD

The question is not worded very clearly. If you are asking whether there are any expenses which employees incur on which tax relief cannot be claimed, but should be available, then I would suggest

training expenses - e.g. if an employee needs to update his/her knowledge, but the employer has put a cap on training expenses. If training is paid for by an employer it is an allowable business cost, but if an employee incurs the cost it cannot be claimed unless it is specifically mentioned in their contract of employment as a requirement of the post and they are carrying out the duties of the employment by undertaking the training. An example is restricted reimbursement for courses for NHS consultants. Seconded to the UK who qualify for TWR but can't get exemption on their rental costs. There should be a meal allowance for business trips over multiple days.

Computer equipment at home and fast broadband to be able to work from home

Use of own mobile should have the same treatments as use of a company provided mobile. It is complicating matters to have different rules depending on whose name the mobile contract is taken out.

Multi-site worker travel costs rules should be simplified and made fairer, e.g. if I am based in Leeds office but work 2 days a week in Manchester office, my travel to Manchester should be permanently allowable as an expense. Personal contract mobile phones. Personal laptops bought to allow flexible working.

Claiming capital allowances can be difficult in some situations on assets required for employment in some scenarios.

Use of own mobile phone where used mostly for work.

costs incurred in obtaining and retaining professional membership e.g. CPD requirements

Tablets and apps where there is no certainty that HMRC wouldn't look to make private use charges when in reality they are toughened devices being used on operational sites and not the sort likely to be used at home

Professional learning fees

Many people have multiple careers; but there is no tax relief for costs of initial training course required when changing career, perhaps mid-stream or following redundancy.

Any business expense for which s155 claim could be made

Company car expenses are taxed according to public policy rather than the costs to the employee and employer

Digital costs mobile, broadband, tablet / computer use.

Some clothing/workwear

Tax free allowance to make flexible working such as working from home more appealing. it would reduce overheads costs as well as reduce traffic, congestion, infrastructure costs for the Government.

Home expenses for home working.

Training and CPD, which is often not covered by employers, particularly for professionals and health workers.

Business use of a private mobile phone that has free minutes in the contract

Personal training and development costs

Also, I don't know if this is the correct section to mention this but, where employees work from home or are expected to use their personal phones for business, I think it would be useful for HMRC to publish standard allowances for provision of broadband or use of phone that can be claimed by employees or paid by employers (ideally divisible by 12 so they can be payrolled).

Employees should be able to claim relief for working from home flat rate payment and broadband costs even not paid employers.

If employee does not work from home, then they do not require a higher broadband data subscription as compared to lower data subscription for own use.

Clothing that is not safety or uniform but is required for work.

Internet provider costs. Employers expect employees to have the internet at home so that they can work from home. This is a big expense which although there will be a dual purpose private as well as business it is not something an employee cannot have.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Subsistence should be simplified if working away from office. Mobile telephone in employee name should be same as employer provided.

Tablet and laptops with private use should have same exception as mobile phones

Home broadband. Mileage from home should be less restrictive to recognise home as a place of work.

This feeds in to the wider agenda of reducing emissions!

Mobile, broadband, use of home

Personal Health and safety equipment is often not employer-provided and is not always personally tax-deductible. Some training expenses as mentioned previously. The need to demonstrate that everyone doing your job would need the item. Mobile phone reimbursement for single phone. In fact anything that gives rise to NI complications being 'settlement of pecuniary liability' where the expense might otherwise be exempt.

Costs of commuting.

Own mobile phone

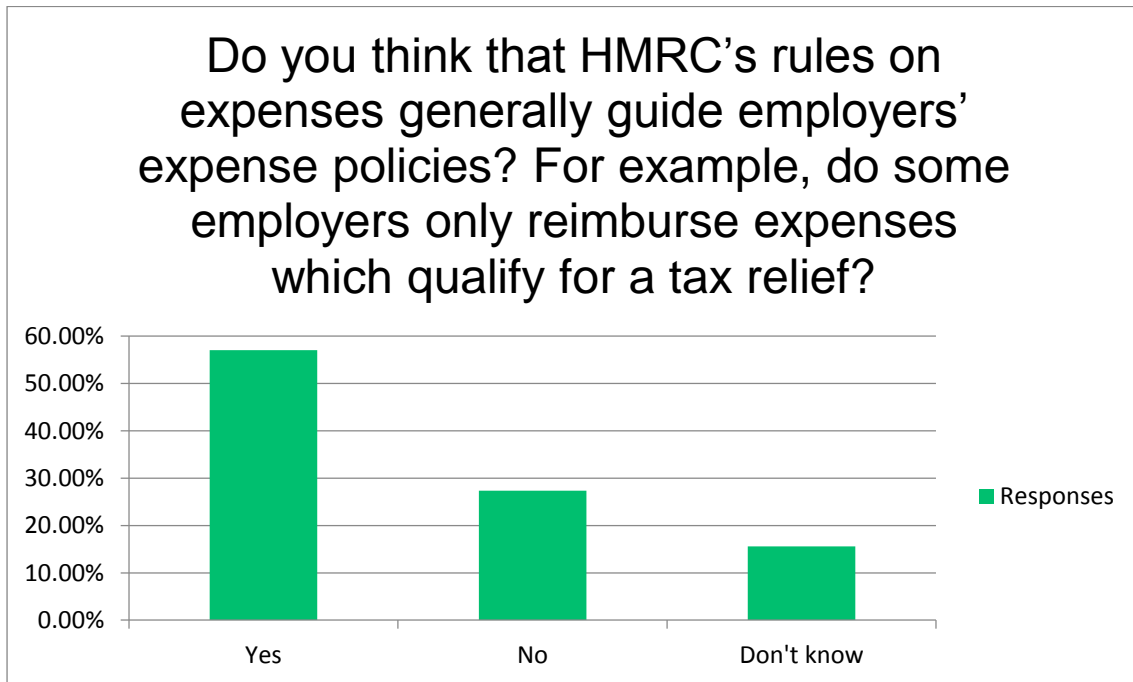
Training if not paid by employer

Mileage for company electric cars.

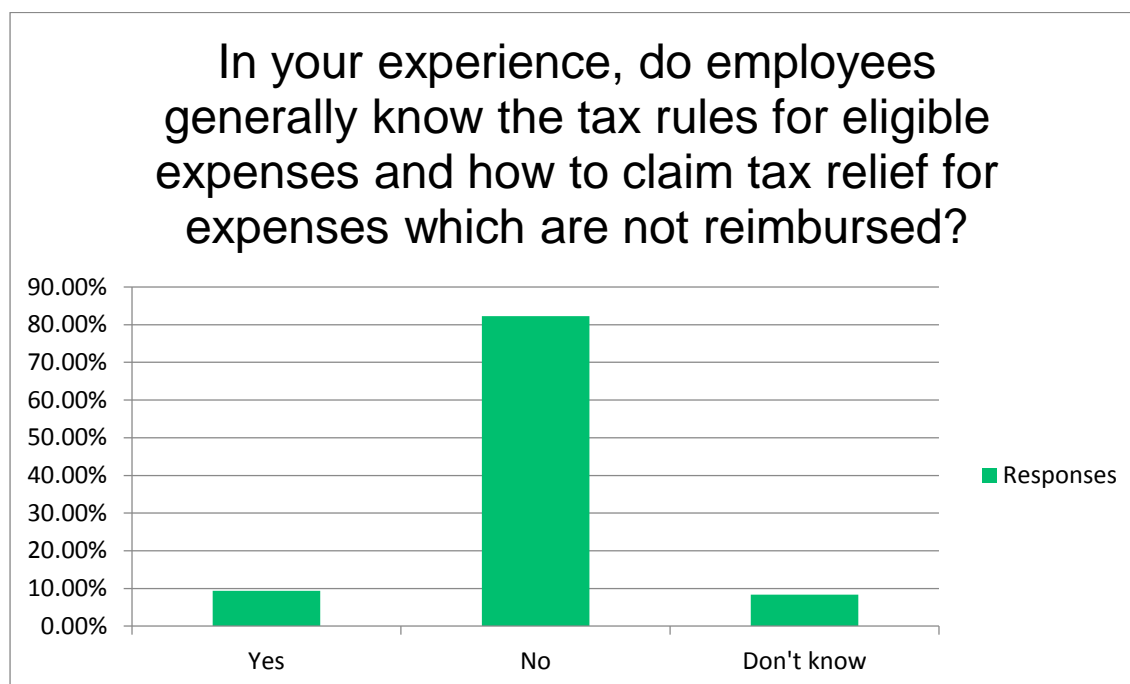
Where employees incur training costs for qualifications directly related to their work, they should be able to get a tax deduction.

Home broadband not contracted directly by the employer

Q25 asks whether HMRC's rules on tax deductible employee expenses guides employers' policies.



Q26 asks whether employees know the rules for claiming tax relief.



Examples given by respondents as to where employees find information include:

But they expect us to sort it out for them.

I have always worked in tax advising surrounded by other tax advisers so I probably am not typical. But I'd say they ask on the office grapevine. - Or google it! if they are the younger generation.

Online

Most reputable employers will provide guidance to their employees

People don't know and employers are reluctant to give guidance for fear of getting sued. Employees often hear from friend or other colleagues or speak to HMRC. If expenses are small or the employee isn't in self-assessment the hassle of reclaiming often outweighs the benefit.

Professional advisors

Generally yes as employers make this information available to employees, but not always.

Expenses policies and claim procedures published by employer

Either from the in-house tax department, or from their auditors/advisers.

Internet, or seek advice when preparing expenses policies

Gov.uk Web pages.

Many employers get confused regarding temporary and permanent workplaces

We tell them - information needs to be refreshed periodically to ensure new starters are informed and existing employees are reminded

Some do - guidance from friends/colleagues or own research, many are simply not aware.

Some do, some do not

HMRC website

Generally informed by employer and colleagues but not always in a formal way

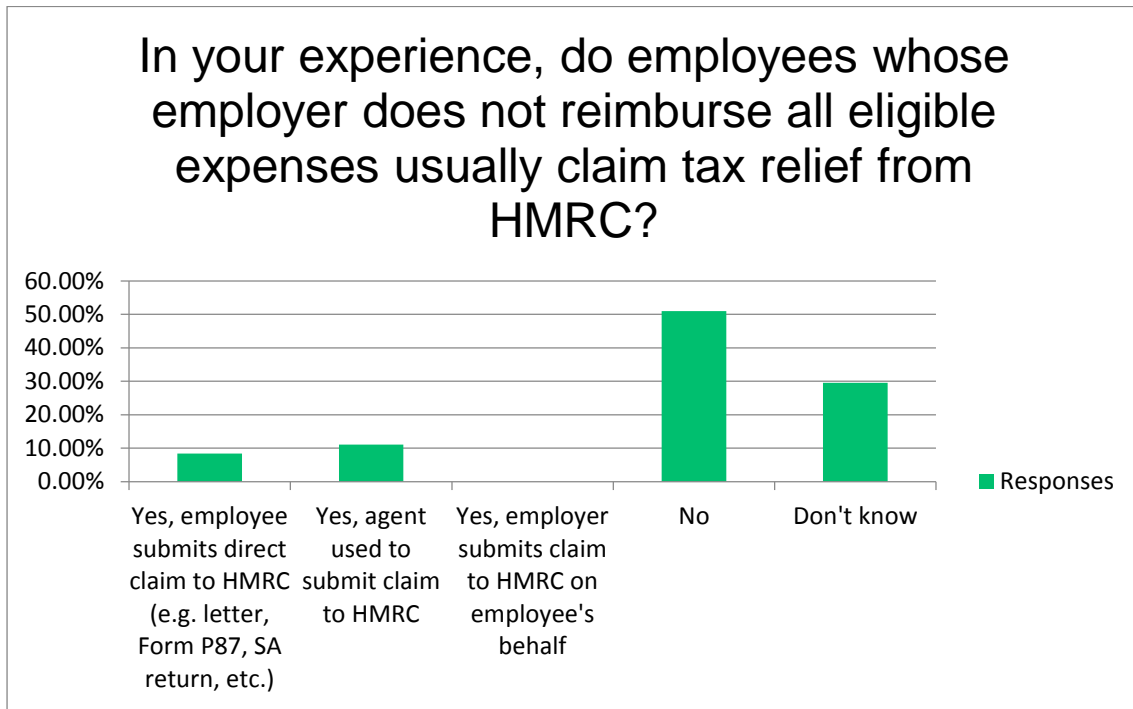
Most employees do but not all. Some do not claim relief because they do not need to complete SA returns

Sometimes. Knowledge gained from friends and colleagues.

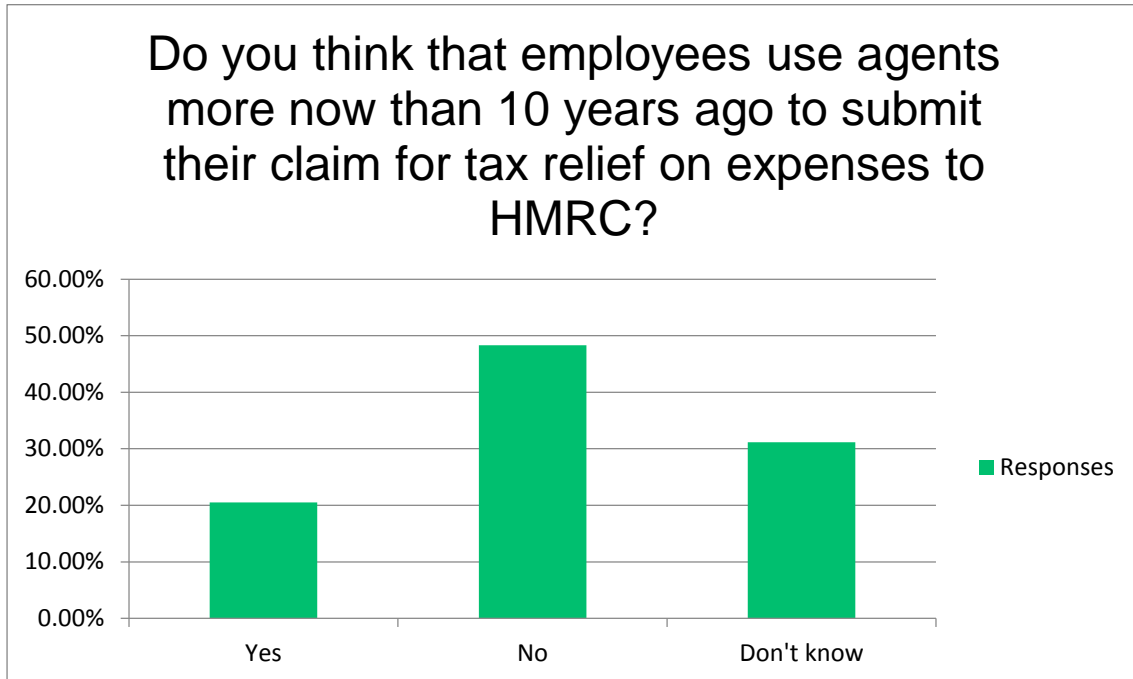




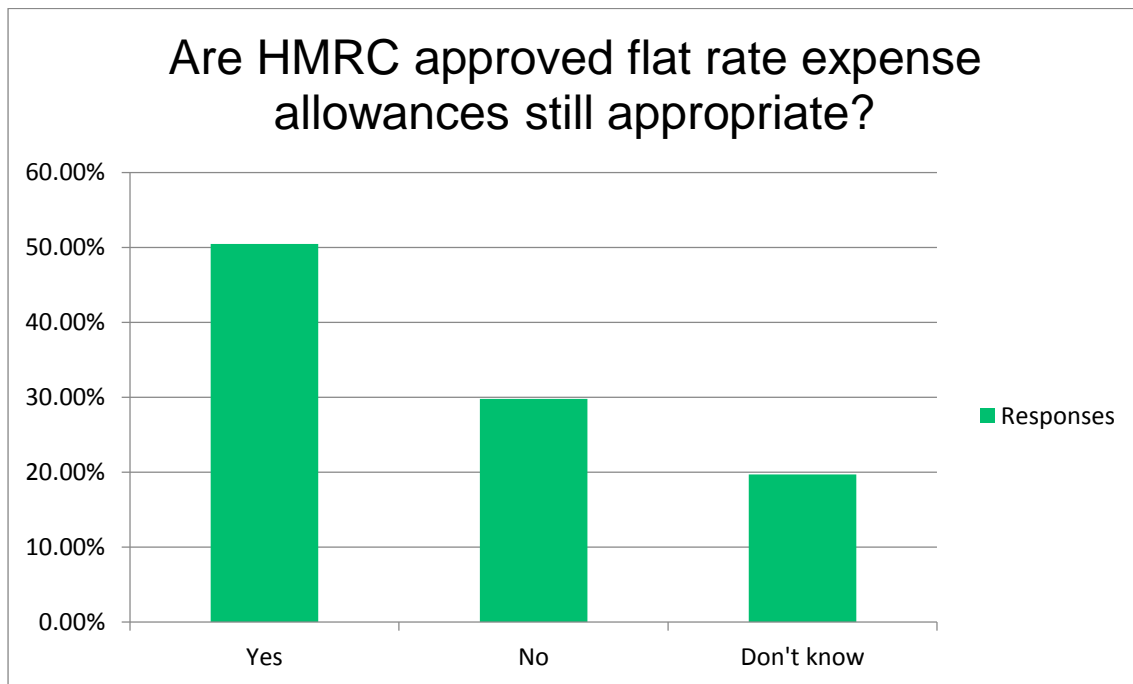
Q27 asks whether and how employees claim tax relief from HMRC.



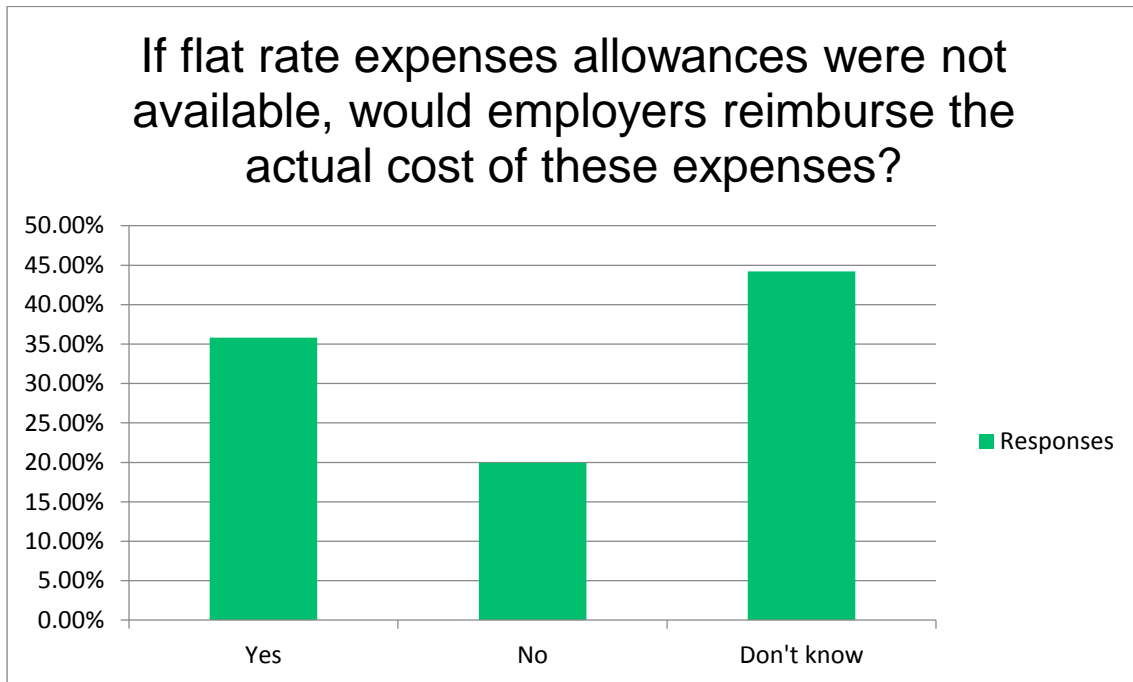
Q28 asks whether employees use agents more now than previously to submit tax relief claims to HMRC.



Q29 asks whether HMRC's flat rate allowances remain appropriate.



Q30 asks whether, absent flat rate allowances, employers would reimburse actual costs.



Q31 asks for suggestions for how the tax rules could be made clearer of their administration could be simplified for employers and employees. Suggestions from respondents include:

#### Clearer guidance

It would be preferable if HMRC did not impose monetary limits but allow employees to reimburse reasonable levels of expenditure actually incurred, while giving guidance on what they would consider to be excessive not in terms of monetary amounts but of the qualitative nature of the expense.

Yes. Be more clear about the difference about getting from home to work which isn't allowable; the information at Booklet 490 is confusing; and contradictory in places. Give clear direction about when the director of a '1-man' company can claim their home as a permanent workplace; at the moment it's far too woolly. Be definitive about what can and cannot be claimed for tax purposes; no if's but's or maybes - this is allowable; this isn't. Full stop. It may end up being a long and detailed list but the rules should be - if its not on the list there's no tax relief on it. Stop dumbing down the guidance provided - that is unhelpful and misleading - sometimes what HMRC says isn't what it means; nor is what the legislation says. And you can find different guidance on the same subject on different pages of HMRC website and it's saying two different things. That's misleading and it can be difficult to then get clients to accept that what they think is being said isn't actually what the law says.

employers could be required to provide details on expenses when the job commences

Stop P11Ds for reimbursed expenses.

Most importantly, don't change rules for the sake of it- the most important thing for understanding the rules is that they do not change.

Employees should be more aware of the ability to claim expenses in employment.

#### More flat rates covering different areas

HMRC to produce guides which could be circulated to employees along with their P11D/ P60

Align calculation of assessable income for tax and NICs

Change the name of P11d to "Reportable Benefits Received & Expenses Claimed" - only agents and car salesman understand the term P11d

Do not expect employers to be able to calculate all assessable benefits in the tax year - some cannot be calculated until after the end of the year, e.g. beneficial loan interest, the loan balance could change on a date after the last pay date of the tax year

The difference in treatment between e.g. a) mobile contracted by and paid directly by employer b) mobile phone contracted by employee but paid directly by employer and c) mobile phone contracted and paid by employee and reimbursed by employer.

Tax law and case law on allowable expenses for employees are complex and not easy for taxpayers to understand. A taxpayer's view on what is a "business expense" when they are employed does not match the law.

Standardise e.g. client and business entertaining rules.

The new burden for Overnight subsistence allowances shows that HMRC has little idea of the modern work place

All employers should be required to reimburse legitimate business expenses incurred by the employee as well as professional subscriptions relevant to the employee's role. The need for an employee to have to claim tax relief should be minimal - perhaps flat rate expenses and use of home for work purposes.

Travel expenses i.e. what is or is not regarded as ordinary commuting and/or travel between permanent/temporary workplaces is very complex. It needs to be simplified and made fairer to everyone.

Entertaining - (even as a business expense) should be allowable for tax purposes. If, as is usually the case, it helps generate/promote the business, then more profits would be made and more tax paid so why not allow the entertaining expenditure and relieve businesses from the administration and burden of tracking and disallowing the expenditure.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

round sum allowance levels that are exempted are just ridiculously low  
HMRC rates to be used by employers and employees should not need to claim tax relief/or payment.  
This should be dealt with via PAYE ie at source

Provide advertising through employer to employee on where to claim on the HMRC website.

Simplify and harmonise the tax and NI rules

Loose the wholly rule

Allow greater flexibility and scope for flat rate expense allowances.

I think that is a job for the Office of Tax Simplification!

There is ambiguity about reimbursement of flat rate amounts. On the one hand employers need to be satisfied that costs have actually been incurred, yet they don't need to keep receipts.

A simple checklist could be provided to employers to display on employee notice boards etc

More reflective of business practice-- e.g. remote working etc

Exempt more obvious business expenses - in the way that dispensations used to.

Many of the tax rules could be have examples of how HMRC intends the rule to work.

Remove the exclusively from the test, to align it with the wholly and necessarily as is the case for self-employed. Remove the requirement for many expenses to reimburse by the employer to enable a claim.

Introduce more flat rate expenses and make them at a more appropriate rate.

Legislation and case law on expenses is overly complex and beyond most employers and employees and it is the legislation itself that needs to be simplified in order to make the tax rules clearer for employers and employees. Administration is not unduly complicated, the difficulties arise in understanding what is and is not tax deductible and/or exempt.

Use personal tax account and have an easy pro-forma claim on the website, require employers to provide an annual summary of all expenses claims and unreimbursed travel expenses to employees with the P11D

Force employers to give help and support to employees to make their claims.

Simplify the P11D regime

No, the rules are far too complicated now to simplify them enough so that employees and employers will read them without them only getting half of the information. Making a grant available to professionals for their time so they can work with micro and small businesses to help them with things like this.

Permanent workplace rules need to be looked at - in spite of previous consultation outcome, they are NOT clear or well-understood, even though they are 'familiar' to employers and employees to an extent

All expenses could be run through payroll

Clarify (particularly for employees) that the HMRC side only covers the tax element.

Provide a simple statement of exemptions, and rules on evidence, to employers and employees, so all parties know the allowances and limits. Employers could report expenses monthly on RTI, (as a memo as no calculation) but on an annual basis so there is no penalty for late reporting. For employees, they could report monthly through their personal tax accounts if they have ongoing underpayments of expenses.

By allowing employers to reimburse expenses incurred for business purposes on actual spent basis. National insurance needs to be clearer. employees do not understand so employers should explain reliefs

Any changes to the rules to enforce employers to pay legitimate business expenses will undoubtedly add to the red tape cost. Employers having spent considerable sums complying with RTI (Real time information) and AE (Auto Enrolment) another burden would be unfair. However, my view, as a business owner, is clear. Employers should pay for employees' business expenses, as it is a

requirement of the employment to enable them to perform their tasks/duties. This will reduce the number of expense claims made by employees.

To make matter simple for example travel expense rules are very complex.

Increase flat rate job expenses and stop the ad-hoc expense claims. We have too many clients coming to us when a tax repayment firm has incorrectly claimed too much tax relief on certain items. One flat rate expense stops any need for an agent and these firms

Standard list of eligible expenses and amounts available for relief rather than agreeing on a case by case basis or via PSA.

Use personal tax account so simpler for employees

Publicise and allow fixed rate expenses more widely.

All employers have a robust set of guidelines regarding reimbursing employee expenses, in line with HMRC dispensation agreements. Expense claims are scrutinised to see if they were necessary to be incurred and also only paid if a receipt is produced. Employers want to minimise costs to their business and limit the amount paid through expenses to genuine business claims only. The reimbursement of expenses is not abused by employer/employee.

There should be well laid out tax rules on how to claim tax relief and the difference between self-employed and salaried employees should be clarified or eliminated with many self-employed creating their own companies to maximise the tax benefit.

I don't think it can be made much clearer, without dealing with the simple fact that currently an expense has to be 100% business for an employee to claim it.

Have a link in Personal Tax accounts.

The tax rules must be simplified and it needs to be clear to the employee what and how they can claim a tax relief for. It is potentially also beneficial under MTD for employers to submit data directly to HMRC relevant to employees' business expenses so they are automatically given tax relief if the current system continues.

Dedicated HMRC Web pages separate from GOV.UK

Education at school/college level on how tax works? I don't think the system is that complicated, it's just not that well target to the public. You only know if you go online and check.

If HMRC are serious about giving employees more tax relief on business expenses a simple guide could be included with their annual tax summary/PAYE coding notice.

Updating Employment Manuals to agree 480 brochure.

Ensuring staff fully aware of new exemptions for P11D forms

Merge expenses and benefits rules

Merge tax and NIC rules

Alignment of national insurance with income tax rules, remove distinction between Class 1 NIC and Class 1a NIC

Flat rate expenses should reflect true cost - e.g. 45p a mile is not high enough. Rate for use of home is derisory.

More up to date rules from HMRC

More publicity for employers and employees on the subject.

The rules around what is 'ordinary commuting' are far too complex for today's mobile and 'gig economy' workforce - much simplification needed.

In the case of employees the only mechanism for claiming relief from HMRC is via a SA return, but where the employee's only source of income is employment income, generally, they are removed from SA.

More examples of what is an isn't allowable under the business entertaining rules - so actual examples in the legislation and examples on line at [www.gov.uk](http://www.gov.uk)

They need to be rewritten and simplified in nay areas. Too many differences between self-employed and employed persons for some expenses such as travel and subsistence

clear guidance on position for multiple employment and mixed emp/s-emp positions

Simplify the current HMRC website

No. The tax rules are fine but employers need to engage with technology and use things like GPS trackers/apps to measure mileage.

Scale rates - need to make it so that checking system not needed for these as negates use of them

The rules around travel and subsistence expenses are confusing - we have PIES, subsistence - £5, £10 and £20 depending on how long travelling etc - make it simpler and clearer

If payrolling benefits were to be mandatory this would ensure less administration and real-time notification to HMRC meaning no tax-lag for employees. This could be extended to expenses, which could be automated via payroll so taxed at source where required or exempted by software rules.

Acceptable subsistence rates could be published by HMRC and regularly reviewed, updated.

Only receipted expenses should be claimable / deductible

A rewrite of the travel rules is needed to reflect modern working practices & patterns - they need to be clear & easy to understand and not need a 70 page book to "explain".

A presumption that when expenses, up to a de-minimis level, are reimbursed by an employer that they are wholly, exclusively and necessarily for the purpose of employment, let the employer determine. De-minimis must be at a level where abuse cannot arise through false bonuses etc.

Easy access HMRC online accounting system where employees can log their expenses, check deductibility during the year, and the software then generates their tax return accordingly.

Align the rules for reimbursed expenses with those for expenses incurred directly by employer - e.g. NI & PAYE treatment where part of expense is non-business.

Policy should be fair and encourage mobility of workforce. NIC relief should be available for essential claims by employees. wholly exclusively and necessarily rule is very strict and discriminatory and should be relaxed by dropping "necessarily"

Abolish the rules/guidelines and allow employers to reimburse what they see fit.

Travel rules that fit with modern business practice and examples which are not just the plain vanilla but are more based on the way UK industry actually works in this century.

Some of the flat rate allowances are fine, but some are no longer relevant - a review would be a good idea. It also should not matter whose name a mobile contract is in, as long as the employee only has one work mobile.

The rules have developed over time and are fairly well understood and applied by employers.

Employers guide employees generally.

The necessarily threshold is a difficult one to achieve and should be softened to the trade Wholly and exclusively

Guidance on trivial benefits

simplification of perm/temporary workplace

Specific flat rate schemes need to apply for all employees, not just specific sectors, including overnight subsistence at daily rates. Employee will always be free to claim excess if supported by receipts but an expansion of the basic flat rate schemes would be helpful.

Total rewrite! There are rules upon rules for everything - mobile phones for example have about 5 different tax treatments depending on the circumstances

De-minimis flat rate allowances for travel, subsistence, telephone etc below which receipts not required

Not sure what to say after the recent consultation on travel and subsistence expenses didn't go anywhere but that is the area that needs rethinking the most.

No. But remember there are a lot of employees out there who work for their own service companies who have no supervision, direction or control exerted by other people. Their claims for expenses exceeds anything a real employee could get. You need to tackle this type of contract first before every person in the UK has to work that way.

Trust the employer. They don't pay out more than they have to, because their focus is on cost to the business.



## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

More use of fixed, or scale rate expenses. Many employers try to set reimbursement rates around scale rates but not easy to do so.

Same rules for tax and NIC. In fact abolish NIC and amalgamate into income tax

The whole of the rules regarding cars and mileage allowances could be improved by assembling the whole lot into one place on GOV.UK and dealing with IT CT NI and VAT comprehensibly

Include relief in tax codes, or claim by one page online form. Raise awareness of ability to claim.

Tax free expenses should not have to be reported and relief should not have to be claimed.

Align Tax and NIC rules for all expenses.

Remove "grey" subjective areas from the legislation e.g. where there is a dual purpose for expenditure, such as a meal with staff and clients - it should not be a judgement call but a clear rule.

Don't require VAT receipts for petrol/diesel in order to recover relevant VAT on mileage claims

Any evidenced expense incurred in carrying out the duties of employment should be tax-deductible

They should be more practical. Some of the line item analysis required to deal with the current rules is just not feasible in a large corporate. And as the rules are all different across CT, VAT and PAYE, it is not easy/possible to build automated rules in systems etc either.

It is time to re-visit the 'wholly, necessarily and exclusively' test in the modern world.

Align tax and NIC treatment of expenses.

Blanket exemption has helped. Online system as extension to MTD once established could help where employee logs allowable expenses and employer can log reimbursement, difference carries through to year-end tax calculation for a claim.

All business costs exempt

Tax/NIC alignment for the treatment of expenses and relief.

Currently too many variables in how an expense is treated depending on whether paid direct or by employee and reimbursed - needs simplifying but not sure how!

Information could be put on the tax overview form sent out by HMRC if someone is employed but claims no expenses

Simplify mileage allowance by having one mileage rate rather than 45p/25p

Employee tax tips on their P11d/ P60/P9 re availability of tax relief would benefit employees who were unaware. Make the P9 reductions to PAs more easily understandable. More examples of the application of the tax rules would aid employers, especially for unusual situations.

Remove mismatches between exempt benefits and allowable expenditure, eg training costs.

Keep all guidance in one place that is easily accessible - often the 'catches' are in the manuals, which ordinary employers wouldn't think to read

make the information more easily accessible to individuals so any gain in tax relief they would receive isn't pocketed by agents

More work needed to reflect growing practise of employees who work from more than one location (including home).

I think the abolition of dispensations has made the system simpler. HMRC should leave it alone. They are only going to create more unnecessary work for everybody again.

Obligation on employers to tell employees if they do not reimburse in full how to make claims.

Flat rate allowances for overnight and mileage are low and not comparative to actual cost incurred

Tax rule could be made clearer regarding ordinary commuting and temporary workplace rule

The rules are too restrictive having to be Wholly necessarily and exclusively these tests are very difficult to meet if the expenses is not reimbursed as HMRC say that if not reimbursed it was not necessary. Often there is a duality of purpose that cannot be avoided this will also block relief.

More flat rates especially for home costs for Home based employee, for internet provider costs....flat rates are the simplest for employees to understand and claim

The car rules for hybrid are complex, is HMRC really keeping up with technology

Realistic flat rate allowances should be an option. In such cases receipts should not be required. To require receipts negates the point of flat rate payment simplification.

Better information in plain English. The current expenses manual is onerous for the average small employer.

Reintroduce dispensations!

Reimbursed expenses should not be prima facie BIK genuine business expenses should be exempt from reporting

Re Q30 if employer reimburses actual expense it involves employer and employee in much more work that could be spent earning profits. My main annoyance is the differing rules on how to treat certain reimbursements for tax and NI. This should be completely eliminated. HMRC website should really address more real life situations in its guidance e.g. tricky but very common issues e.g. workers from different sites and customers share a meal and one picks up tab -- what is internal entertaining, other entertaining and what is reimbursement - are apportionments permitted at all or if the wrong person pays is it all taxable? Does each item on bill need to be tracked to consumer?

The rule for employment expenses should be the same as for self-employment; wholly and exclusively.

Better signposting from gov.uk, more use of interactive web screens and removing complex variations in rules, such as with travel.

Online applications.

HMRC need to spend some money on training!

The Gov.uk website could be improved to provide more comprehensive information and easier ways for employees and employers to claim relief.

Online claim forms for expenses not reimbursed

More consistent treatment between different types of expenses. E.g. there are too many rules for mileage. Also, employers are confused about the £8,000 relocation allowance and the types of items which might qualify.

Yes, Employer should be able to pay appropriate allowances (agreed by HMRC) that the employee doesn't get taxed on and doesn't have to declare on their Tax Return.

24 month rule review. Broadband review (who procures it)

Limit tax relief to Travel, Hotel and professional subscriptions.

There is ambiguity in the area of expenses incurred when using personal vehicle and what could be claimed. The rules on mileage allowances, log book evidence, fuel reimbursement, etc. should be simplified and unified under one table which would allow the accountants / book keepers to keep a track on allowable amounts

The removal of dispensations went somewhat to helping but then they left Approval Notices in the arena so there are still legacy issues. P87 is meant to be an easy online application now through the personal tax account but it is not apparent and takes a while to find.

The exemption has gone a long way towards reducing the administrative burden of reporting expenses, but it is yet to become evident whether HMRC are entering into the spirit when carrying out compliance reviews

Q32 asked how HMRC could make it easier for employees to claim the tax relief directly. Suggests from respondents included:

Simpler claims process

In this regard, I would comment that it is not in the interests of employers to encourage employees to claim tax relief on eligible expenses not reimbursed, since such claims frequently prompt HMRC to make enquiries of the employer that are usually burdensome and time consuming to deal respond to. [] be definitive about what can and cannot be claimed for tax purposes; no if's buts or maybes - this is allowable; this isn't. Full stop. It may end up being a long and detailed list but the rules should be if it's not on the list there's no tax relief on it.

HMRC could prompt employees when new codes are issued

Allow employers paying any sums attributable to business expenses to ensure it is paid tax free

P87 online form is pretty easy now - more awareness broadcast by employers would help

More frequent claims - perhaps make it possible to file quarterly claims (subject to a de-minimis limit). Simplify the claims form perhaps.

Maybe add to the personal tax dashboard on gov.uk, on a current year basis? (i.e. put some kind of tool to log expenses and cross ref to evidence there, before end of the tax year?)

Make employers make them aware this is available

Improve quality of staff training. Claims are often rejected without any technical grounding by junior HMRC staff using letter which uninformed taxpayers will believe to be correct, this intimidates tax payers into not claiming what is due to them and creates a cynical view of HMRC that valid claims are deliberately rejected and customers intimidated into accepting incorrect decisions as this is a departmental strategy to increase tax yield.

Publicise and create claims within the PTA if possible,

Although safeguards required to ensure that the employee understands that the claim must attract tax relief - not just an "I agree" box which most people will tick without reading the law

Put it in their tax code without having to do a tax return

Digital tax accounts with appropriate prompts and simple guidance to help people decide what they can claim.

A standard form. Viewable in its entirety before filling. Saveable in progress. Printable.

It shouldn't make any changes. Form P87 or SA tax return is more than adequate

Better publicity so that employees know they can claim.

A single form

Through the payroll system.

simple claim form to be submitted via website

Advertisement & Marketing

Presumably each employee accessing their DTA will help?

Link on the front page of the HMRC website.

Accessible online

Not through a tax return

Could HMRC add something to the P60 forms or the PAYE coding notices which are sent out already - maybe they do already but if so i have missed out - advising how to make such claims and which form(s) to use?

Notify more clearly on all tax coding notices and other communications to employees. Advertising through radio & TV around tax return submission deadlines.

Put onus on employer

A simple form to fill in online or by post - not everyone has a computer or mobile device

A simple form

Via notice of coding

In communications to taxpayers most of which are now electronic they could include some useful links - "Did you know ....."

Within the tax account

Greater publication of the circumstances in which employees can claim tax relief directly, as well as guidance on how they would do this.

Put onus on employers to at least notify employees that such reliefs are available.

A specific expenses portal

Include in tax code! Why is this not done?? Ask on new employee form what job they do and ask them to tick a box. Keep things simple.

RTI coding which already is being piloted

Simplify the legislation so employees are able to understand what they can and cannot claim for.

Require a web link and message concerning expenses to be printed on payslips and p60s

Presumably this will be part of the digital tax account? If not it should be.

Regular digital or email prompts to the taxpayer Properly trained HMRC staff who know the rules and can advise taxpayers correctly

Place claim forms/boxes with notes for all types of expenses that employee would normally be expected to claim in their MTD account.

Make their guidance easier to understand and the legislation clearer

Allow standalone online expense claims

I think with the introduction of personal tax accounts on the HMRC Gov't Gateway portal they have already made it quite easy.

Making a grant available to professionals for their time so they can work with micro and small businesses and their employees.

Greater awareness of ability to write to HMRC to claim or through self-assessment tax returns. Make the claims easier to find on the SATR online.

Better publicity for availability of a reclaim

Simply making employees more aware and simplifying process of claims

On line claim forms

For employees, they could report monthly (or annually) through their personal tax accounts if they have ongoing underpayments of expenses.

Claim through personal account or over the phone where employees not at ease with IT

Via the online account which all individuals can have?

Apart from professional subscriptions, I cannot see an employee should be permitted to claim on their tax return much in the way of employment expenses if it is in performance of their job.

However, the availability of what constitutes what an allowable expense is needs clarifying by HMRC, and the onus put on the employer to make its employees aware of what is available, through education by HMRC. There are a series of webinars by HMRC on other subjects and HMRC could extend their use of that form of communication for this purpose. Generally, PAYE only taxpayers should be removed from SA as HMRC are fully aware under RTI of the payments they receive.

Have a simple online form

It will never happen, look at the number of changes in the last budget. The goal posts constantly move. Keep the rule the same once they are set.

Allow simple reclaim via online tax account without having to submit a self-assessment return.

Simple form, current too complicated for most.

Self certification. More realistic fixed rates

Simplify the process

Improve the Website. The last iteration of the HMRC website dropped almost everything that was useful.

Personal Tax Account is ideal for such purposes

Online claim forms in the personal tax account.

Dedicate a page on gov.uk relevant to how the employees can claim the expenses which then goes to an online application form submitted online with clear instructions. The information the employee submits can then be cross checked to the information the employer holds of the employee expenses under either MTD or another way. This has to be balanced against increased compliance cost for the employer.

Ability to update the tax code through payroll? Or via a bulk update from the employer. E.g. allow the employer that is a factory to tick a box to say an employee should have 60 allowance for washing own uniform, rather than all of the staff having to individually contact HMRC to get their tax codes changed.

The new Digital Account could include a claim form. How this is to be policed/authenticated would be a matter for increased staffing level at HMRC so there would not be any cost benefit, but, would enhance the concept of a fairer tax system/HMRC.

Tell employees how to do it on Coding Notices etc.

Make everyone do a tax return and ask easy questions

Include reminder on Personal Account

Through personal digital tax account/ online.

Make everyone complete a tax return

allow claims through payroll

Pass the responsibility on to the employer to advise employees of their eligibility to claim tax relief on the expenses not reimbursed, and then submit the claim on the employees' behalf.

Simplified online claim procedures

Online claims

More publicity about the possible reliefs - ensure relevant links are available in the Personal Tax Account.

Submission in real time, possibly through Digital tax account, that would immediately update PAYE coding for one month.

A specific claim form could be devised that enables an individual to obtain the appropriate tax relief without filing a full SA Return.

Email on quarterly basis to fit with MTD?

I am not sure they can easily as it would require a thorough understanding of the rules by individuals which most have no time or appetite for. Tax relief generally leaves persons in a worse position than a straightforward reimbursement from their employer

by the payroll process i.e. a mileage claim is made and paid through the payroll at the lower amount and this is picked up by HMRC

More publicity aimed at employees

Clearer publication of possibility (P60 note?)

Simplify the HMRC website

Put a reminder/note on HMRC filing software Employer pages to remind people that they can claim for such expenses

Employees would first need to understand entitlement, e.g. mileage. Secondly, could be done via adjustment to tax code - ideally online (personal tax accounts?) but would likely be in the following year. Employees unlikely to complete tax return for small amounts of relief.

Most people don't complete tax returns and wouldn't have a clue about expense relief. HMRC need to educate taxpayers via TV etc and link with online tax return filing

Education. If expenses could be logged via personal tax account as they arise this would be simpler rather than a one-number declaration in SATR

Shortened ITR specifically for PAYE / expense claims

Maybe tie this into the PAYE code portal.

More publicity. Wider scope of expenses classifications.

yes could do it online as in in year PAYE code adjustment

Easy access online accounting system where employees can track their expenses during the year, and the software then generates their tax return accordingly.

Simple online application with no need to access PTA as many taxpayers are wary of interacting with HMRC digitally but may use a single simple online claim form.

Provide a means to claim online

It would be difficult as tax is a complex area and I would argue that most employees wouldn't be willing to do this themselves

Notes given with p60 or online account

Via personal tax accounts

Submit in their digital tax account

By publicising the availability of reliefs so that employees know what they can claim

Better worded forms and clearer more relevant examples.

Simple online application without needing an individual online login.

Make the claims process online only (via HMRC website) and user friendly in a manner which made it fool proof and binding on both parties once processed.

They could not. It would be chaos.

Online system outside the normal tax return process

explain P87 better

Difficult without too many incorrect claims being made by those at it.

Ideally an online expense claim system that could allow for monthly rolling submissions. This may be unrealistic at the present time.

Have an on-line facility which is advertised to the employee by the employer stating clearly what can and cannot be claimed - sector specific claims are confusing. Will be easier following the introduction of digital accounts.

Make the online service effective

forms issued by employer

Online easy access.

One page list of fixed rate expenses and list of expenses which are normally tax deductible. (is on website but very hard to find.)

Perhaps via company payrolls but fundamentally the best way to claim your tax year expenses is by completing self-assessment, something HMRC seem hell bent on stopping as many people doing as possible. If individuals had to take responsibility for their tax returns (like in the US) rather than rely on HMRC to do it for them (which invariably leads to mistakes or as a minimum confusion for the taxpayer) then they would find it easier to claim their expenses. HMRC could then spend their time risk assessing taxpayers rather than processing.

Allow them to do it online. You cannot currently do this on the new online system.

A simple year end form. Take it out of the PAYE coding system because the amount in the code is always years behind reality.

Once P60 details filed under RTI then an Online annual claim form at end of tax year for each employee. Produces a summary similar to P800 but with accurate details

Better communication about how to do this

The forms are on GOV.UK, but you need Google to find them. How about spending some MTD money on making the GOV.UK search engine function.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

Include relief in tax codes, or claim by one page online form. Raise awareness of ability to claim. Where there is no other reason to complete a tax return, allow employees to submit quarterly expense claims online against their NI No to be set against their PAYE code.

Better publicity

More publicity - provide fact sheets perhaps?

I have used the "chat" facility on my personal tax account and found it satisfactory - issue gets resolved quickly without need to hang on for telephone

Make it an obligation of the employer to either claim it on their behalf or provide the employees with the form(s) to do so

More pro-active marketing. Employees are unlikely to seek out the information on the basis they don't know they can make a claim in the first place.

Facilitate it through the payroll.

Better information / publicity.

Tie in expense claim process with MTD as above.

Claim through Personal Tax Account

Public Awareness campaigning, and/or adding a note in the Personal Allowance coding notifications.

Online form

Think it is the length of time it takes to get through on the phone and then if the employee is not certain exactly what they are claiming the person answering is not generally skilled enough to help accurately.

Online claim form

Set up a one page employee expenses sheet within the making tax digital portal and referring to it on the P11d/P60/P9.

Improve personal tax account to allow type and amount of expenses to be entered and automatically update tax code without requiring a telephone call: risk-based checks by HMRC to investigate high/unusual claims.

An easy, but secure, online application which doesn't require registration, passwords etc (there are too many these days)

Online application, perhaps within their personal account so no standing data need be entered, including employer details

An easy online form so as it is not necessary to read/complete multiple pages of a SA return which have no effect on what is trying to be achieved by the individual

Advertising on P800's/simple assessments

Via a modified online service linked to RTI

If there were an online form for employees without the need to file a return or submit a written claim that would be useful.

Make sure employees understand what can be claimed for and how to claim it

Include a tick box as part of the coding notice change the legislation so that allowable expense is aligned to the perception of what was spent for employment purposes.

Have a simple one page tax return re employment income only for employees who are just PAYE people and not normally required to complete a tax return

Online claim behind login simply explained

Could be linked to employer reporting e.g. P11ds so automatically done by employer and put through coding.

Online forms that work. An agent can't do online forms for clients which is frustrating so we end up doing paper ones! A ludicrous situation in the 21st century.

Advertise in appropriate journals

Online claims? Allowing employers to submit claims on behalf of employees where the amount is clear e.g. many employers offer a car allowance instead of a car. However if employee takes the allowance, a lower rate of mileage is paid. The employee can claim difference between that rate and

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

40p. As employer is making the reimbursement it could easily calculate the claim the employee can make.

Add the relevant function to the personal tax account.

Install a facility within the digital tax account. Make it mandatory for employers to make the information available, simplify some of the rules and advertise it more

By using a simple claim form, as previously, but more widely advertised so that employees are aware of its existence. For those who don't need to register for online services for any other reason, I believe this would be the easiest way.

Through a digital account.

It is practically impossible to speak to a human for guidance. I know of one person who gave up.

Provide a specific helpline or make it easier to make a claim online.

Online claim forms for expenses not reimbursed

More easily accessible and knowledgeable HMRC operatives manning telephone lines.

As described above.

personal tax account

Train their staff so HMRC employees understand tax. Mention a legislative reference in a phone call and you will then understand.

employees could be informed via their payslips. i.e. employers / payroll bureaux could display this info on the payslips

Answer the phone promptly?

They could define a set of 'core' expenses that employees commonly incur and have these as a 'live' record in the personal tax account-but they still then await the P11d submission before processing so

I can't see HMRC changing for the benefit of an employee

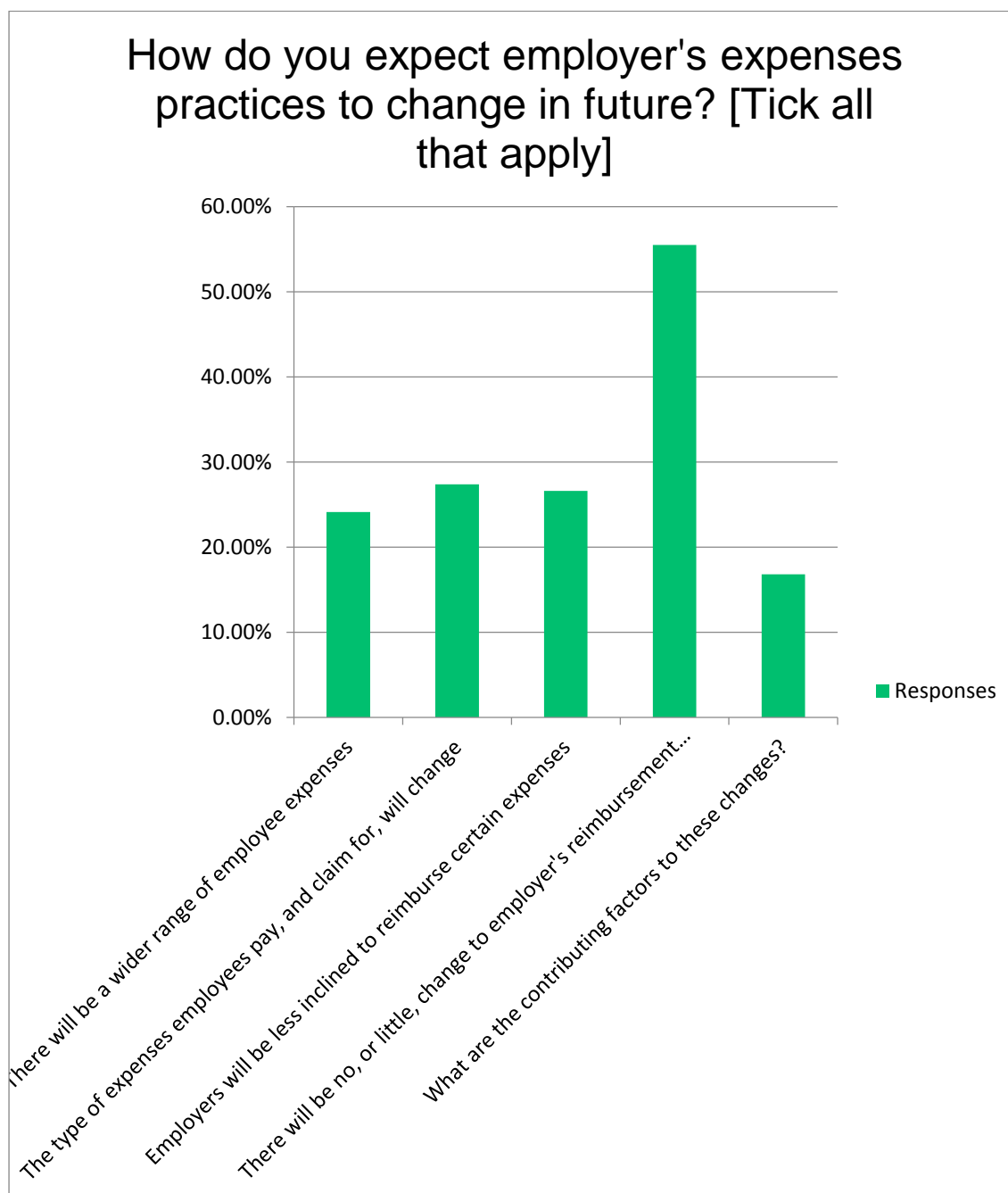
Clearer forms; clearer explanations and making employees aware that claims can be made on the HMRC website.

Quicker adjustments to tax codes - the existing delay with P11D paperwork is not acceptable

Online claims and in year claims



Q33 asks how employer's expenses practices are likely to change.



Examples of contributing factors giving rise to these changes provide by respondents include:

In the charity sector, pressure on the charity's funds

Incorporation into payroll

HMRC have neither the resources nor the funding to make wide-spread changes, especially where there is the possibility that there would be a loss of income to the exchequer because of more widely-available deductible expenses. And the current financial situation in business means employers are trying to minimise their costs so are cutting back on expenses they are actually paying out as well (apart from the directors of 1-man companies who baulk at paying any tax at all). So I doubt if there

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

will be any real change, probably just more undefined rules that will result in reams of 'clarification' that is in reality as clear as mud; confusing; and open to (mis) interpretation.

The way we all work is changing and so the nature of expenses will change

Technology & working practices - e.g. working from home

Inflation exceeding wage increases will make employees more likely to make a claim.

Life moves on, also the recent abolition of P11D dispensations; potentially allows employers to take the initiative on new types of expenses, if satisfied an expense is wholly exclusively and necessarily for employment. But as I understand that "fully allowable" expenses can now be excluded from P11DS, I am not quite sure how HMRC is going to police or audit employers' decision so exclude "allowable" expenses paid from P11Ds, but I presume it is all explained in the latest PAYE guidance for employers?

Employees need to react more quickly to business needs and employers are reducing their fraud risk/improving cash flow by removing company credit cards leading to the need for employees to fund more business costs in the first instance.

HMRC's penal provisions on fine points

As employers face ever increasing costs they will become less inclined to reimburse expenses, and they will expect employees to claim their expenses on a timely basis or lose the ability to seek reimbursement for 'old' expenses

more soft receipts through online claims

Tax rules and cost cutting

Overall cost is likely to be squeezed, employers will expect more communication to be done electronically etc

Cost reduction programmes in many companies attempt to limit the expense costs of their employees My experience is that they have been relatively settled for the last 10 years or so. It would take a change in laws to fundamentally change practices at this point. but i do not have any experience of any mischief in the claiming of business expenses

Due to technology

Changes in ways of working and IT changes assisting home working

Cost controls by employers meaning they will not want employees incurring as many expenses.

No one likes change.

Businesses seeking to reduce costs.

This is dependent on changes to legislation in future

Global workforce. Think expatriate equalisation policies & treaty relief

As employers become more responsible for determining validity of tax treatment they will seek to minimise risk

Employers might want to try and save some of the costs of doing business by cutting employee reimbursement, it should be compulsory that expenses are refunded.

The only aspect that will change, is the software / process to capture the expenses / receipts will become more automated and digital.

I think that Employers will become more focused on profit, so will not reimburse in the future.

cost saving by employers - more flexible work force

Financial cost pressures on employers and changing business practices e.g. homeworking, video-conferencing

The fast moving economy and move to short term contracts.

As more people work from home, more may be paid than the current flat rate allowance

Changing work environment and 'worker' practices

Payrolling BIK

It's impossible to say as paying expenses is business cost and who knows what commercial and taxation changes might affect employers' profitability and their approach to expenses as a result.

## Taxation of employee expenses: call for evidence – CIOT/ATT Survey

They need to ensure all appropriate expenses are reimbursed for the employees

Non-tax reasons - cost and industry practice

I really don't think employers reimburse expenses based on tax relief. They reimburse what they have to and make the employee pay for anything else. Some sectors much worse than others.

Employees are not valued - e.g. more zero hours contracts, more part time and 'gig' work undertaken. There is less incentive for employers to want/need to encourage workforce loyalty by fair treatment. Pushing expenses onto individual employees so employer can report bigger profits/surpluses (smaller losses)

cost factors and admin burden

Increased home working and patterns of flexible working. The need to be on-line but outside an office.

Tax and NIC policies will dictate this

Automation and use of software packages to manage limits and controls.

Mainly technological - increasing use of smartphones and computer tech.

Continued pressure on cost cutting will lead to tightening of expense policies and restrictions of the level of cost reimbursed.

technology influences how employees are reimbursed for payments, eg using personal devices instead of providing corporate and providing a nominal amount to cover usage

Changing roles and requirements and the need for flexibility in business

Gig workers will undermine lower paid employees' expenses - assuming the staff are retained as employees.

Lack of funds as employers already suffer with increased hourly rates and workplace pension costs

Change in working practices, technology.

Businesses trying to make more money at the expense of their employees - fall into two categories - those employers who value their staff and those that do not care about their staff.

Simplicity of administration is key to employers and understanding how to claim is key to employees.

The minimum pay rates increasing above inflation making employees responsible for more expenses

No Money

Employers' decisions are driven by business need. They will decide what is a business expense based on what they require their employees to do. At the same time, they will only reimburse the min to control costs.

Financial constraints

Economic conditions

Recruitment and retention

More flexible working by employees

Most expense limit policies are based on cost the company is prepared to bear, not on the tax treatment.

Fear of HMRC investigation / change in policy and squeeze on the purse

A change in the legislation to make expenses claimable

technology

Changes in technology and working practices.

We live in challenging times.

I think that many employers will move to simple remuneration levels which effectively include expenses.

Depends on the employer and how profitable their business is...

Greater move to remote working and online working

Q34 asks for suggestions of areas of the tax treatment for expenses that the government should explore further. Suggestions made by respondents include:

Simplification but with clarity!

Temporary workplace rules should relate to the nature of the job and not an arbitrary 2 year limit  
The authorised mileage rate - very few aware of the ability to make a claim if carrying passengers.  
Salary sacrifice in return for any tax-free expense claims should be prohibited as this rarely benefits the employee. Care should be given to ensure core benefit offerings do not come within tax as a result.

Different rules should be standardised e.g. The NI treatment of pecuniary liabilities  
HMRC needs to demonstrate that it scrutinises claims; far too many employers have had no direct contact with HMRC since the start of their businesses and start to believe that nothing that is filed is actually reviewed. This leads to taxable benefits not coming to light until after the PAYE year has ended and a more gung-ho attitude to accurate compliance.

Simplify the rules on what is an allowable claim for tax relief.

It should tighten up on claiming for professional subscriptions. With some employees likely to be claiming full reimbursement from an Employer and then claiming tax relief from HMRC

Consistency between PAYE & NIC treatments

Travel, Entertaining

Some sort of de-minimis without receipts - I know a lot of people myself included who don't bother claiming a reimbursement because the admin is excessive etc

Use of home rates do not reflect a correct proportion of the cost to employees.

Guidance does not keep up with changing work practices including expenses. More resource should be put in these areas and areas of uncertainty.

Firm up and simplify current policy

Some of the limits set on tax relief were set some 25 years ago and these need to be index linked so as to keep them in the real world.

The use of bicycles. Improve scheme.

Rules relating to multiple workplaces and the extent to which they are taxable.

To make it easier and more straightforward for employees to claim expenses.

Need to simplify the travelling rules

The use of the internet and apps. Some employers use apps but expect employees to use the app on their personal phone, which may be ok if the employer has Wi-Fi in the office but if the employee is out and about they might have to use the data allowance from their personal mobile phone contract. This may incur additional costs for the employee which will be very hard to prove what was business and what was personal. Some employees may also increase their personal data or call allowance to compensate for the additional business use, which they will then not get reimbursed for as it is within their contract.

Late night transport. Recognition that this is not a luxury but often a safety measure for tired workers or workers working unsocial hours.

Consideration should be given to the employee being the prime source for any underpaid Tax/NIC (except for actual employer contributions)

Personally, I think that as far as possible, employers should always pay employers costs such as train tickets and hotels, so there are no benefits or reporting requirements to worry about later. Expenses management is time-consuming and fiddly. I have seen companies where they give all employees a corporate card, then an on-line system for completing the expenses claim from the card statement. As an employee, this was the best system I have seen.

As above, employment expenses are a requirement of the duties carried out. Therefore, I see no need to encourage employees to claim expenses on their tax returns, rather, I see a need to encourage

employers to pay the expenses in full. There will be exceptions, such as professional fees. But even flat rate expenses should be paid by the employer and try and simplify the PAYE system.

Don't tinker too much!!

The way tax treatment is given needs to be explored to be made clearer what and how can be claimed for by the employees. New forms of expenses need to be considered in light of the changing ways in which the employees are currently work - flexi time, remote, home working, holiday working etc. and expense for utilising any technology enabling this form of work should be made available to employees.

Professional subscriptions and exam fees: for certain professions exam fees are allowable, like medical exams but not for accountants, etc.

In response to the fact that HMRC has seen a big increase in claims, either it is down to some employers cutting back on paying for employee expenses, or it could be due to employees being more aware of being able to claim. I came across a person only last week, whose employer makes them pay for all their own tools (an engineer and the tools are essential), and even links them up with a loan company to help them cover the cost (with interest of course)

Yes the discrimination against employees as opposed to the self-employed workers. Particularly training costs.

Glasses required for work

With flexible home/office working due to online communications becoming the norm, it is incoherent that HMRC wish to use business models that are 15-20 years out of date when allowing tax relief on flexible working.

Simple flow chart and practical examples

Use of home allowance

Tax relief for private medical cover if the current NHS situation continues

Clearer rules on business and private use of assets, home working etc.

Increase to mileage rate.

Get rid of "necessarily" in wholly, exclusively and necessarily.

Keep it simple!

Not sure if payments to go on line are deductible or not - but for example payments to use wifi on trains

Travel expenses should be simplified and made clearer

I do feel that there is a certain level of business entertaining that has to be done but none of this is eligible for tax relief on small businesses this can be significant so I think a small allowance could be given for these type of businesses

Dual workplaces

Reporting of expenses and benefits under RTI and abolition of P11Ds

Given growing flexible employment, it may be necessary to reduce distinction between deductibility under employment and self-employment rules

Use of checking systems for HMRC rates and ensuring this is not expanded across o/seas rates. Use of bespoke rates now complex and difficult for employers to administer and communicate to employees.

Linking salary sacrifice for exempt benefits (e.g. car parking) to mandatory payrolling of the benefit so that exempt benefits remain exempt, however paid for.

Only the travel rules.

Expenses including travel, subsistence and entertaining, claimed by self-employed contractors working in banking.

Simplification and publicity. Relief is often unclaimed because the employee is simply not aware that a claim is possible other than from the employer.

How to deal with personal mobile phone bills where some of the calls/data allowance is used for business

#### Staff entertainment

Employees carry a significant burden of costs getting to work which could be relieved to make work more attractive compared to benefits

Provide more clarity for international relocations/ assignments.

Align the NIC rules to the IT rules

They should simplify matters so that employees don't lose out

Better alignment between employees and the self-employed.

Abolish all forms and regulations and particularly penalties.

Mobile phones, and other expenses where the treatment depends on who paid for it. The treatment should be governed by the type of expenses, whether it is paid direct or reimbursed should not be relevant.

#### Home working expenses

Look at discrepancy between claims for employed and self-employed.

As far as possible try to simplify the rules.

Make expenses claims more general - not sector specific. Provided the flat rates are not overly generous there should be no abuse of the system and employees will be free to pursue a top-up claim by producing evidence directly to HMRC through on-line facilities. The hassle factor needs to be removed for both employer and employee but employees need to know they are not being taken advantage of.

Flat rate amounts paid by some employers for items such as overnight allowances can be excessive.

Rules too complicated

Not blocking travel expenses!! It makes it uneconomic to take up contracts further from home.

Economy needs people to be working and in most cases (employed and self-employed) it really is not by choice that people work away from where they live.

I think ordinary home to work commuting should be allowable to encourage mobility of labour and help ensure that work pays. I accept it is most unlikely to happen but in a perfect world that's what I would like to see

Only as previously stated the growth in being employed by your own company.

Training expenses - where these are not just to be able to fulfil the duties of the employment, but also to increase the skill set of the employee.

See what other countries do, e.g., Germany has a fixed rate per day/part day for business trip. Very simple. France gives a fixed deduction against taxable income and that covers everything. Simplicity is key.

Simplify.

Rewrite the legislation from the past 40 years into a one page plain English document/legislation

#### Staff entertaining and gifts

Taking out ALL the inconsistencies between the NI and tax treatment of expenses.

We have a limit for cost of overnight accommodation in London. Often now that limit is not enough.

One solution would be to allow the employee to pay the difference between the limit and the actual cost and claim that difference against tax

More flat rate allowances e.g. for mobile phone use

Sort out some of the little fiddly rules such as a taxi for an injured employee being taxable (we're paying to get them into the office, not because they want to be here!). Focus on the material issues not the insignificant details.

If it is needed for the employment or even simply useful to enhance the performance, then it should get tax relief. Minor private use/benefit should be ignored.

Items that promote employee health, such as gym membership

The general treatment for tax and NIC on expenses as too many possible variations on whether PAYE in full or only for tax and P11D for NIC etc depending on who invoice made out to and who paid it originally. Needs single treatment since end result the same.

Costs of working from home

Online flow chart to check if expenses are allowable. Update to current rates / costs rather than historic.

Entertaining expenses are too narrow and too often penalise both the employer and the employee (particularly staff entertaining).

More flat rate allowances would reduce administrative burden for businesses, employees and HMRC, while having a negligible impact on overall revenues.

Mobile phones

Set allowances for personal mobile phone and home phone/broadband to simplify and clarify this area

Improved assistance to in-house finance teams to prevent increased spend on agents

Adjustments to PAYE codes in real time using online digital tax account to claim expenses.

Travelling expenses. There is too for an ordinary employer or employee to digest the 490 guidance

Change the legislation so that the allowable expenses are the same as the expenses that are incurred by reason of employment, allowing an element of duality.

Expenses for workers (so not the self-employed or the employee but the new category in between of worker).

Bring in line employed and self-employed relief.

Duality of purpose is a problem.

Home working, car parking charges

Exempt genuine business expenses

NI aspects not aligned with tax. Calculation of benefits in kind for use of assets. Taxation relating to broadband, landlines and mobiles in the light of combined packages.

No tax disclosure required for expenses expended on employer credit and charge cards.

Relocation, is £8k still enough?

If it's a work related expense the employee should get Tax and NI relief (like a self-employed person does). []

Costs of filing employee annual tax returns to ensure compliance?

Again they are reacting to an increase in knowledge which is being driven by the internet & TV where people such as Martin Lewis are making the tax relief common knowledge which it would not have been say 10 years ago. I don't believe people are using agents more often but they could restrict the claim to being made by the individual only if they are under PAYE, or their accountant if they are in the SA regime.

Reviewing the temporary workplace rules which should be simple, but are complicated for the tax payer.

Continuing education