

WEALTHY EXTERNAL FORUM BRIEFING

Date of Briefing

18 November 2021

Project Title

Employment Expenses

Purpose: What is it you want to share with the group?

To raise awareness of letters being issued to represented & non-represented customers who have claimed Employment Expenses, prompting amendments to their 2019/20 Return and reduced errors in future returns.

Author: Which part of HMRC is leading on the work and who is the contact?

WMBC Wealthy

Detail:

Customers can claim employment expenses if they meet the tests that need to be applied before a deduction can be permitted under Section 336. This is set out in the guidance at EIM31630 the general rule for employees expenses.

We expect to issue one tranche of the letter in November 2021, which will allow enough time for customers to make adjustments prior to the amendment window closing on 31st January 2022.

The letter will:

- advise the customer of the conditions they must satisfy when claiming expenses, which must all be met for them to qualify as an allowable expense;
- contain details of the type of employment expenses that are allowable;
- ask the customer to check that the information in their 2020 Self Assessment return is correct. And if incorrect, request any required changes once checked on their Self Assessment return;
- also highlight the need to retain records of expenses that have been claimed.

COVID

We know the Coronavirus (COVID-19) situation has affected many people's personal and business finances in different ways. Unfortunately, it is impossible for us to know how each of our customers have been affected before we write to them, however we still have a duty to ensure that our customers pay the right amount to tax to support the economy.

We want to support customers in the best possible way, so we are writing to their tax agents, where possible, to give them the information to help and support their clients in the most appropriate way.

If a customer that we have written to has any health issues or personal circumstances that may make it difficult for them to deal with us, we encourage them to let us know. We'll help in whatever way we can. For more information about this, customers or agents can go to www.gov.uk/dealing-hmrc-additional-needs.

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Timing

It is proposed that the nudge letters will be sent in November 2021 with a deadline of 19/11/21.

Other relevant information

A copy of the letter has been attached below

It is also to be understood that, due to various external factors outside of our control, the dates that letters are to be issued may be subject to change.

Appendices



20210922 draft letter
employment expense