

Expense Claim Guide



Properly submitted expenses will save you money

Regularly submitted expense forms for allowable items enable us to calculate reductions in the amount of tax you owe, or the tax refund that is owed to you.

Step by step expenses submission:

1. Gather together your receipts, mileage records etc on a regular basis.
2. Complete the expense form summarising those receipts. Additional copies are available from our website www.shipshapepay.com
3. Return expense form to Ship Shape by placing them in a suitable envelope and simply writing **FREEPOST SHIP SHAPE** on the front. The FREEPOST name means there is no need to use a stamp in the UK.

Working as Self Employed: it is essential for you to retain all original receipts and a copy of each expense claim form as these may need to be verified at a later date.

Working under Umbrella PAYE: include all original receipts in the envelope with your completed expense claim form. We recommend you take copies of these in case they are lost by the postal service.

How much will I save?

We calculate your total allowable expenses and deduct this from your taxable income, therefore you pay less tax and receive more income.

When should I send Ship Shape my expenses?

Please send us your expense claim form regularly e.g. each week or each month. By making this a regular task our Operatives find that they don't lose important receipts and therefore maximize their claim.

Which expenses are allowable?

Expenses incurred wholly, exclusively and necessarily in the performance of your work duties can be offset against tax i.e. these costs can be used to reduce the amount of tax you pay. However, there are rules as to which types of expenses are allowable and if you submit expenses which are subsequently deemed to fall outside this definition by the HMRC you would be liable to pay back the tax saving. Please study the guide we have compiled below.

Travel by public transport

The cost of tickets purchased for travel to and from work by most forms of public transport are allowable expenses. Be sure to include the dates and reasons for the trip. Travel by private vehicle is indicated separately.

Tools, Clothing and Personal Protective Equipment

Tools specifically required for the job may be claimed for, but a VAT Invoice/Receipt showing the items purchased and the shop or supplier must be kept. Allowable claims for clothing purchases would include all Personal Protective Equipment. Cleaning of protective clothing can also be claimed for.

Telephone

All business calls (not personal) may be claimed for. They must be highlighted on the original (not photocopy) itemised bill and returned with the expense claim form, or an appropriate pre-pay airtime voucher receipt. Rental of a landline and purchase of a mobile phone are not deductible expenses.

Accommodation

You can claim an allowance when staying overnight, away from your UK permanent residence. The hotel, B&B etc should supply a receipt (ideally on headed paper) including the proprietor's name, address and telephone number, and they should preferably be VAT registered. If your stay in the accommodation is for three months or more, you would need to return to your home address on a weekly basis to claim and you may be asked for proof of this.

Travel by private vehicle

Travel expenses can be claimed when using private transport including car, motorbike and bicycle. Keep all receipts for fuel, although receipts for petrol or diesel purchased cannot be offset against tax (that is calculated by mileage) they are required to back up mileage claims if requested by HMRC. Also make a note of the dates, destination and reason for the journey on the mileage claim form provided.

There are usually two rates for travel by private transport. For the first 10,000 miles travelled in each tax year, the higher rate applies. All miles over this are calculated at the lower rate. You can also claim parking costs if supported by an original receipt, but not parking fines.

Subsistence

If you are working at a site / location on a temporary basis and have bought food for meals during work hours then this may be claimed as a subsistence expense resulting in tax reduction. We will make automatic subsistence claims on your behalf of £5 when you have worked at least 5 hours on site and £10 for at least 10 hours on site, based on your submitted hours.

Additional claims may be made if you do not usually start early and are temporarily required to be at work before 6 am, in this case you may claim an additional £5 for breakfast on each occurrence. Furthermore, if you have to work past 8 pm in the evening (and do not ordinarily) then you may claim up to an extra £15 for an evening meal on each occurrence. Claims of £5 and £10 will be made automatically, based on hours worked; however claims for breakfast and evening meals must be submitted on the Expense Claim Form which can be downloaded from www.shipshapepay.com/benefits.

Also use the Expense Claim Form to indicate any days for which you worked 10 hours or more on site but you think it may not be clear from your submitted hours that you have. (For example you only worked 30 hours – but you did it in 3 days which is not known to us. We would not automatically claim any £10 claims just from your submitted hours however if you indicate this on the expense claim form we will).

For those workers operating under **Ship Shape's Umbrella PAYE service** (only), we have an HMRC dispensation that allows the automatic £5 and £10 subsistence claims.

In the case of **Self Employed** individuals we will assume that you are keeping food and drink receipts of at least this value – ensure you do so. If you do not want to claim subsistence / or reduce the amount of subsistence claimed then please let us know when your free tax return is calculated by us at the end of the year.

Where do I send the expenses?

Please send the completed expenses form to **FREEPOST SHIP SHAPE** – no stamp is required and no further address details.