

# EXPENSES

## For Umbrella Contractors

One of the benefits available to you as a Fenero Contractor, is the ability to claim tax relief on expenses related to your contract. We've created this guide to help you to maximise tax relief on expenses.

### A little background

The benefits of being able to claim tax relief on expenses are substantial. We want you to maximise these benefits - so where we can process an expense, we always will. We will work with you to maximise your expenses.

However, we must always ensure we're keeping both you and the Umbrella Company tax compliant. This means we have to gather the right amount of supporting documentation for every expense we process for you. What this means for you is, we need a receipt for every expense item.

Additionally, in many cases, we also need a written explanation of how the expense relates to your contract. A written explanation is always needed the first time that you claim each type of expense. We know that sometimes the explanations will be obvious - but Revenue require them anyway! A written explanation is necessary to avoid problems for you and the Umbrella Company, in the event of a Revenue Audit of your expenses.

### How to Claim Expenses

The steps to claiming expenses are:

1. Complete an Expenses Claim Form
2. Attach receipts/supporting paperwork as evidence for each item
3. For some expenses (see details in our Business Expenses list over the next few pages), write a brief explanation of how the expense is related to your contract
4. Email it all to [umbrellaexpenses@fenero.ie](mailto:umbrellaexpenses@fenero.ie)

#### Next?

We review your claim. If everything looks good, we let you know and then include the expenses in your next salary payment. If something is missing or we need more information, we will contact you.

### There are no silly questions!

If you don't know if an expense can be claimed or not, drop us a line before submitting your Expenses Claim. And don't be afraid to ask! There are no silly questions. We're here to help you maximise tax relief and achieve the highest level of take home pay possible.

# Business Expenses

## What can I claim?

### Electronic Equipment and Software

The costs of electronic equipment (such as an iPad or a laptop) and software can be claimed, as long as they are related to necessary activities of your contract.

There is no upper limit to the amount you can claim. However, tax relief may be spread over a number of months for high value items.

When claiming electronic equipment or software, you need to include an explanation in your email to tell us how they are required to perform the duties of your contract.

When purchasing electronic equipment and software, you must request a "VAT receipt" from the shop or supplier you are buying from. When you request a VAT receipt, you will be asked to provide a company name and address. You should provide the name and address of your Umbrella Company. You must send us the VAT receipt as part of your Expenses Claim.

### Mobile Phone Handsets

Up to 50% of the cost of a mobile phone handset can be claimed, as long as use of the phone is related to necessary activities of your contract.

There is no upper limit to the value of the mobile phone which can be claimed. However, tax relief may be spread over a number of months for high value handsets.

When claiming a mobile phone handset, you will need to include an explanation in your email to tell us how the mobile phone is required to perform the duties of your contract.

### Mobile Phone Bills

As well as the cost of the handset, you can claim a portion of your mobile phone bills. The amount you can claim must directly relate to how much you use the mobile for business vs personal use.

For example, if 20% of your calls are business calls, then you can claim 20% of your mobile phone bill. There is an upper limit however – a maximum of 50% of your total mobile bill can be claimed.

The first time you claim a portion of your mobile phone bills, you will need to include an explanation in your email to us to tell us how the phone is required to perform the duties of your contract. There is no need to provide this each time thereafter. And if you have already explained this at the time you claimed for a mobile phone handset, there's no need to do this again.

# Business Expenses

## What can I claim?

### Broadband Bills

If you incur broadband costs to perform the duties of your contract, this can be claimed. As with mobile phone bills (see above), the amount you can claim must directly relate to how much you use your broadband subscription for business vs personal use.

There is an upper limit however - a maximum of 50% of your broadband subscription can be claimed.

The first time that you claim broadband costs, you will need to include an explanation in your email to tell us how broadband is required to perform the duties of your contract. There is no need to provide this each time thereafter.

### Business Travel & Your Normal Place of Work

Your normal place of work is the place you will normally be located during your contract. This location is essential to mileage and subsistence claims. Therefore we have to clarify the location of your normal place of work and we may need additional information from you to do this.

### Mileage & Subsistence

Travel costs (including mileage), for travel to or from your normal place of work cannot be claimed. Subsistence for time spent at your normal place of work also cannot be claimed. This is because unfortunately Revenue rules are based on the idea that travel to your contract location, even though it is usually temporary, is travel to your normal place of work.

You can claim for mileage and subsistence for business journeys away from your normal place of work.

Receipts are not necessary for claiming mileage and subsistence. Instead you must fully complete the mileage and subsistence pages on our Expenses Claim Form. You will also need to include copies of an email from your line manager or other supporting evidence (such as conference tickets) as evidence that the travel relates to a business journey.

# Business Expenses

## What can I claim?

### Other Business Travel

Mileage and subsistence are not the only eligible travel costs. You can also claim for a range of transport costs such as planes, trains, road tolls, parking.

Speeding and parking fines however cannot be claimed.

Just like mileage and subsistence costs (see above), you will also need to include copies of an email from your line manager or other supporting evidence (such as conference tickets) as evidence that the travel relates to a business journey.

Taxi expenses can only be claimed in exceptional circumstances. Taxi journeys at night or on weekends especially, are reviewed closely by Revenue. Therefore, you must provide us with a full explanation of the reasons you have used a taxi for us to establish if the cost can be processed.

Business travel costs are only eligible for journeys away from your normal place of work – with one exception! This exception is when you travel to your normal place of work using a Tax Saver Commuter Ticket. For information on using Tax Saver Commuter Tickets, see below.

### Tax Saver Commuter Tickets

Revenue have a scheme in place to give tax relief on the cost of travel to your normal place of work, when you use public transport. The scheme operates as follows:

1. An employer buys a ticket on behalf of their employee;
2. The cost of the ticket is charged to the employee through the payroll;
3. Tax relief is processed automatically through the payroll – this works by the employer calculating your taxes on the value of your gross salary, less the value of your ticket (instead of calculating taxes on your full gross salary).

Umbrella Contractors can also avail of this scheme with the support of their Umbrella Company Service provider. Fenero facilitate the processing of Tax Saver Commuter Tickets. You must order your tickets through our partner TravelHub – we then liaise with TravelHub to pay the cost of the ticket on your behalf and then deduct the value from the payment we process for you.

If you wish to avail of the scheme, please send an email to [taxsaver@fenero.ie](mailto:taxsaver@fenero.ie) for more information.

### Stationery

The cost of the odd piece of stationery can add up over the year, so it's worth claiming for all pens, notepads, printer cartridges, printing paper etc, which you incur in connection with your contract.

# Business Expenses

## What can I claim?

### Training, Courses and Books

The cost of training, courses and books can be claimed, provided they:

- relate to your current contract role and
- are wholly and totally relevant to performing the duties of your contract.

Unfortunately, the cost of non-work related courses cannot be claimed.

When claiming for training and course costs, you will need to include an explanation in your email to state how it relates to your current contract and the performance of your duties.

#### Tip:

*As an Umbrella Contractor, training and courses must be directly related to your current contract. If you are considering taking on a significant course to upskill in new areas for the future benefit of your career, it may be possible to claim this expense by operating under your own Private Limited Company.*

*For advice on whether operating under your own Private Limited Company would suit your circumstances, contact our Solutions Team on **hello@fenero.ie**.*

### Clothing & Glasses

You cannot claim for ordinary clothing which forms part of an “every day” wardrobe (as Revenue put it!). This includes formal workwear such as suits and ties. This rule applies even if you are the type of person who isn’t likely to wear your work clothes anywhere other than work.

Dry cleaning costs of your work clothes cannot be claimed.

The cost of prescription or other glasses cannot be claimed, even if you only need glasses while working.

You can however claim the cost of safety or protective clothing. For example, helmets, industrial gloves, face shields, safety goggles etc.

# Business Expenses

## What can I claim?

### Relocation Expenses

If you are relocating your home (either as a renter or home owner) to take up your new contract - for example moving to Ireland from another country or moving a substantial distance (i.e. 100km and over) within Ireland - you may be eligible to claim relocation expenses.

Relocation expenses can be quite substantial and are very worthwhile claiming. Examples of what can be claimed include:

- furniture removal costs
- the cost of temporary accommodation for the first 10 nights and up to 3 months rent

There are number of rules related to Relocation Expenses. If you would like more information to determine if (and what) you can claim, please contact us and request our Relocation Expenses Helpsheet or have a chat with one of our team.

### Home Office & Working from Home

If you have a dedicated home office where you carry out significant work related to your contract, you may be entitled to claim some home office expenses such as office furniture.

You may also be entitled to claim e-Worker expenses. This is a small flat rate daily allowance of €3.20 to contribute towards the costs of heating and electricity. To qualify for e-Workers expenses, you must:

- work from home on a full or part time basis and;
- work for substantial periods of time outside of your client's business premises.

To claim e-Worker expenses:

1. include it as an item on your Expenses Claim Form, listing which days you are claiming it for;
2. send us an explanation of your working arrangements to verify that you qualify for these expenses.

Umbrella Contractors cannot claim rent costs on your home as a home office expense.

If you would like more information on Home Office or e-Worker expenses, please contact us and request our Home Office Expenses Helpsheet or have a chat with one of our team.

#### Tip:

*As an Umbrella Contractor, you cannot claim rent costs on your home as a home office expense. However, if you have a dedicated home office which you use substantially, it may be possible to claim a portion of your rent by operating under your own Private Limited Company.*

*For advice on whether operating under your own Private Limited Company would suit your circumstances, contact our Solutions Team on **hello@fenero.ie**.*

# Expenses being reimbursed by your client/agency

There are two types of expenses.

1. Expenses which your client/agency has agreed to reimburse you for (these are known as **Chargeable Expenses**);
2. Expenses which you have incurred yourself and which your client/agency will not reimburse you for (these are known as **Non-Chargeable Expenses**). Nobody will reimburse you for these costs, but you are entitled to receive tax relief on them through Fenero. These can be claimed in the standard way already described in this guide.

Most expenses fall into the second category (i.e. Non-Chargeable) and are what have been covered so far in this guide. Chargeable Expenses operate differently.

Some examples of Chargeable Expenses are:

- You are required to travel to an event or conference and initially you pay with your own personal credit card. Your client/agency has agreed to reimburse you for the full cost of the flight or other travel.
- You are asked by your client/agency to take some important business clients out for dinner and initially you pay with your own personal credit card. They will reimburse you in full for the cost.

## How to be reimbursed for Chargeable Expenses

Every client/agency has their own arrangements as to how they will deal with your reimbursement and they will advise you on how to obtain your reimbursement from them. However typically there are two main scenarios:

### ***Direct reimbursement***

Your client/agency may simply deal with you directly and transfer any reimbursements directly to your own bank account. This is something you must arrange directly with your client/agency.

If your client/agency reimburses you directly (i.e. by way of cash or directly into your personal bank account) in full for the cost, you cannot then submit them to Fenero to claim tax relief. This is because you have not actually incurred any cost, as it has been fully reimbursed to you.

### ***Reimbursement via Fenero***

Alternatively, your client/agency may wish to reimburse you via Fenero. The procedure for this will vary from company to company. Typically they will ask you to complete their own version of an expenses claim form, which should accompany the invoice we raise for you.

In this case, you must:

1. Complete your agency's expenses claim form and send to us with your invoice request;
2. We will include them on the invoice we issue to your agency;
3. When processing your salary payment, the expenses amount will be reimbursed to you in full;
4. The expenses will appear as part of the "total received" figure from your agency.

In order to then receive the tax relief on these expenses, there is one more step. This is simply to complete a Fenero Expenses Claim in the usual way. This may feel like a duplication of work, as you have already completed an expenses claim form for your agency. However the umbrella company cannot give you tax relief for these expenses without this step. From a positive perspective however, we can often give you tax relief on a higher amount than what you have claimed from your agency - so completing the Fenero Expenses Claim form may result in more money for you. For example, the umbrella company can process mileage expenses at the maximum Civil Service level rate whereas many agencies/clients reimburse at a lower rate than this.

## Key Tips on Expenses!

1. Claiming expenses are a key way to increase your net take home pay and reduce your taxes – make sure you are maximising your expenses!
2. Keep receipts for everything – unfortunately you will need a receipt to be able to claim most expenses. So treat your receipts like cash!
3. Each year you are entitled to claim a tax free €500 gift voucher through your Umbrella Company. We will contact you with details on how to claim this – don't forget to take advantage!
4. Availing of Tax Saver commuter tickets for travel to your normal place of work can cut the cost of public transport in half!
5. Always request a "VAT Invoice" when purchasing equipment or software in the name and address of your umbrella company, so you don't lose out on claiming these kinds of expenses.
6. Training courses directly related to your contract may be allowable but are often overlooked by contractors – don't miss out on this tax relief!
7. If you cycle to work, you can claim tax relief on the cost of a new bicycle and safety equipment using the Bike to Work scheme. Contact us for details if you are thinking of cycling to work.
8. If you incur an expense related to your contract but aren't sure if it's eligible for tax relief, get in touch! You might be entitled to tax relief, so don't miss out by not asking us – we're here to help!
9. Pick up the phone any time and speak to one of our team for information and advice!

## More Support

We are here to help so please get in touch. For support and advice on expenses, give us a call on 01-6877400 or send your query to [UmbrellaExpenses@fenero.ie](mailto:UmbrellaExpenses@fenero.ie) No question is silly or too small!