

# Claimable Expenses

If you operate through a limited company, claiming expenses from it as an employee of that company is a very tax efficient opportunity. To be claimable, the expense must be wholly and exclusively for business purposes. If it is, and you keep the receipt, then you will not be taxed as a result of the company paying for that expense. Details of a few of the claimable expenses are included below. You should always seek advice in respect of these to ensure you meet various requirements.

## Travel costs

Provided that you are going to a temporary workplace, you can claim for the costs of travel from the company. If you are driving your own car and keep a mileage log, you can claim mileage at 45p per mile for the first 10,000 miles in a fiscal year, and 25p per mile thereafter.

## Accommodation

If working at a temporary workplace, overnight accommodation is claimable. You can also claim £5 per night for incidental expenses.

## Meal costs

If working at a temporary workplace, you can claim the costs for meals purchased whilst you are there. Alternatively, if you're not staying overnight, it is possible to claim fixed scale rates at a rate of either £5 or £10 per day, depending on how long you are there. You still need to retain a receipt for the meal that is purchased, even if the amount on the receipt is lower than the amount claimed.

## Overseas travel and meals

There are separate rules for overseas travel which can be very generous.

## Pension contributions

Employer's pension contributions paid out of the company can be very tax efficient.

## Mobile phones

Provided that the company contracts for the mobile phone, the full cost is claimable in the company.

## Assets

Any capital equipment needed by the business, for example computers, can be purchased by the company. It will, however, remain company property.

## The impact of IR35

If you are found to be within IR35 then very few expenses will be taken into account in the IR35 tax computation. Employer's pension contributions are the notable exception. It is, therefore, very important to ensure you are comfortable with regards to your IR35 status.

