

New Red Planet: Expenses Policy

Employees of New Red Planet (NRP) Limited can claim various types of business expenses. NRP can also work with employees, agencies and end clients to determine whether Supervision, Direction and Control (SDC) applies. If SDC does not apply, 'home to work' travel and subsistence expenses can also be claimed.

This document outlines the expenses you are allowed to claim as an employee working for NRP Ltd. These guidelines will help ensure you are fully HMRC compliant.

There are two distinct categories of expenses:

- qualifying travel expenses - the amount paid for travel which is necessary in the performance of duties by employees of NRP
- other expenses incurred "wholly, exclusively and necessarily in the performance of the duties of the employee". This means that no expense incurred for private or non-business purpose is allowable. Expenses will only be processed once you have accepted the terms of employment.

It is important that employees always claim expenses in a compliant manner as any employee falsifying any expense claim can face disciplinary action and will need to be reported to HMRC. At any time, if you have any questions as to whether you can claim for an expense or what you can claim for, please ensure you speak with our Payroll department.

The amount and type of expenses that you can claim will depend upon your Employment Contract, your job role and whether or not you are subject to, or to the right of, supervision, direction or control (SDC) as to the manner in which you perform your duties. NRP will require confirmation from the End Client that, during the course of the assignment, SDC does not apply.

Please note that, once the SDC test is carried out and contract is agreed for a particular assignment, salary and expenses cannot be amended before or during the course of that assignment.

An assessment can be carried out at the start of each assignment to determine SDC status. There will also be a re-assessment every 6 months if the contractor is still assigned under the schedule. This assessment may then be followed up to ensure the SDC status was determined correctly. The following table identifies the expenses that are claimable, depending on SDC status following the assessment:

Expense Type	Tax reclaimed from HMRC	If SDC does not apply
Home to work (HTW) travel, parking and subsistence	✓	✓
HTW mileage	✓	✓
STS mileage	✓	✓
Overnight accommodation	✓	x
Tools/equipment	✓	x
Business-related software	✓	x
Capital equipment	✓	x
Professional subscriptions	✓	x
Cost of DBS & other background checks	✓	✓
Eye tests	✓	x
Safety wear	✓	x
Training	✓	x
Consumables	✓	x
Business telephone calls	✓	x

Please note that some job roles, including healthcare workers; social workers; teachers; teaching assistants, will be automatically deemed to be under SDC. There is also a minimum rate of pay you must be earning to be able to pass the SDC test.

For expenses that are to be claimed from HMRC, New Red Planet can provide a P87 form to support employees claim tax relief at the end of the tax year.

TRAVEL

Qualifying travel expenses are mileage costs that employees incur in performing their duties as employees.

These expenses must be submitted on the Portal, including postcode details and receipt submission. Further details are provided at registration.

HMRC specifies that travel to and from a site is an allowable expense if the period of time at the site is expected to be no more than 24 months (see 24-month rule below), which includes any time spent on-site prior to the current assignment. This is classed as a temporary workplace, as opposed to a permanent workplace. Travel costs relating to commuting to and from a permanent place of work and private travel are not claimable.

If at any time the assignment is extended beyond 24 months, no further travel to and from the site is tax allowable from the point at which it becomes known that attendance is to extend beyond this period.

To clarify, for the 24-month rule to apply, there are two parts to the test, both of which must be met:

- The employee must have spent or be likely to spend more than 40% of their working time at a workplace, AND;
- They must attend it or be likely to attend it over a period lasting more than 24 months.

An employee may claim a cost per mile for allowable business journeys in their own vehicle. There is a distinction between the first 10,000 miles in any tax year and any subsequent miles. The HMRC approved rates that may be claimed are as follows:

Type of Vehicle	1 st 10,000 miles	+10,000 miles
Car	45p per mile	25p per mile
Motorcycle	24p per mile	24p per mile
Bicycle	20p per mile	20p per mile

The cost of parking, toll and congestion charges are also allowable, but fines (e.g. parking or speeding) cannot be claimed.

Important to note: you must ensure that you have business use insurance to drive any vehicle which you claim for in respect of business use.

Site to Site Travel Expenses

If you attend a place regularly to perform duties of employment, but are required to work temporarily at another location (site to site travel), HMRC may allow you to claim a tax deduction in respect of travel and subsistence expenses incurred whilst travelling to a temporary workplace.

You will be allowed tax relief in the same way as a permanent employee on the site would, if he or she was sent to a temporary workplace. All expenses must be incurred wholly, exclusively and necessarily in the performance of your employment duties.

TRAINING

The cost of an employee's work-related training courses is an allowable expense and must be supported by an invoice or receipt. This is restricted to genuine training which an employee would need to improve or reinforce existing knowledge and skills, which will prove useful to an employee when performing his or her duties or advancing his or her career. If the training is not linked to existing income and/or it is to gain new skills, then this is not classed as a deductible expense. If you are under SDC then you will submit these expenses to HMRC via a P87 form, which NRP can help you complete.

DBS and BACKGROUND CHECKS

Background checks, including DBS, that are required to carry out specific roles are an allowable expense. These checks must be supported by an invoice or receipt.

Please note that all expense claims must be fully supported with relevant documentation and receipts. NRP will only process allowable expenses and anything not permitted by HMRC will be automatically disallowed. We also conduct periodic expense audits for complete compliance. If you are uncertain as to whether you should claim an expense, please do not hesitate to contact us.

BILLABLE EXPENSES

Billable Expenses (sometimes referred to as rechargeable expenses) are the costs incurred during your assignment which your end client or agency have agreed to reimburse you for in full.

These can include a wide range of expenses and it is important that all Billable Expenses have been clearly agreed with your client or agency before the start of any assignment (usually within your assignment contract).

In order to claim Billable Expenses:

- Ensure your Billable Expenses are agreed with your agency prior to assignment commencement
- Ensure you include the necessary receipts with your claim and send to New Red Planet, whether you are claiming through your Agency or directly through New Red Planet

You must be in agreement with your Agency/End Client on which Billable Expenses, if any, can be claimed whilst in contract. If you claim something you are not entitled to, your Agency may delay payment.

Which Billable Expenses can you claim?

There is no set description or amount of Billable Expenses you can claim, as generally this is a prior agreement between you and your Agency/Client. You should discuss/negotiate what you can claim, if anything, prior to starting your contract as any agreement made surrounding this type of expense could affect the rate of pay you are offered to complete the work.

Typically, allowable expenses will be:

- Mileage costs for one off or non-commute journeys.
- Work related training costs.

Please note that New Red Planet will audit at least 10% of claims on an ongoing basis. If any employee is found to be falsifying their expense claim, they will face disciplinary action.

If you have any queries regarding expenses, please contact New Red Planet via phone or email.