

## **E48 EMPLOYEES WORKING FROM HOME (section 8(3))**

### **Introduction – Statutory Position**

Section 8 of the Law states that the income chargeable from offices and employments shall be the full emoluments of the office or employment, arising or accruing in the year of computation, less the authorised deductions.

The authorised deductions under 8(3) are “any expense, wholly, exclusively and necessarily incurred in the performance of the duties of the office or employment”.

This would include a claim for additional expenses incurred on light and heat where an employee is required to work from home, however it will not include expenses that are incurred both for private and work purposes (such as rent, broadband, etc).

### **Concessional Treatment**

In light of the situation with Covid 19, where part of the home is used as an office, or employees have been forced to work from home from 25 March 2020, the Director is prepared to allow a standard deduction of **£8** per week as a claim for the additional costs incurred, in place of a full computation.

If an employer has continued to require an employee to work from home after the Covid lockdown was lifted, on 20 June 2020 (for example, working at home on a rota basis due to a need for social distancing or Covid risk management), or the employee is contractually obliged by their employer to work from home, the concessional **£8** may still be claimed. The amount should be pro-rated if homeworking is less than a full week.

If there is any element of choice for the employee to work from home, no deduction may be claimed.

Where an employer requires an employee to work from home, payments made to cover the cost of homeworking can be ignored for tax purposes, provided they are £8 or less per week (pro-rated if homeworking is less than a week). If the sum exceeds £8 per week, then the employer must include these sums in the ETI return and the employee will need to make a claim on their annual income tax return. If there is any element of choice for the employee to work from home, the full subsidy is taxable

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