



WEEK 23
2021

NEWSLETTER

TAX RELIEF FOR WORKING FROM HOME DUE TO COVID-19

CLAIM TAX RELIEF FOR WORKING FROM HOME DUE TO COVID-19

Anyone who has worked from home during the pandemic may be eligible for tax relief up to **£125 a year** even working for one day from home.

Continue reading at page 2

Tax Advice That Helps Your Business Grow

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AM I ELIGIBLE TO GET TAX RELIEF FOR WORKING FROM HOME?

1. You are entitled to claim the full year tax relief for the amount of £125 if you are required to work from home by your employer even only for one day work.

2. You can still get the full tax relief for the 2021/22 tax year if you have returned to work in early April 2021 or are planning to return.

- ▶ However, you cannot claim tax relief if you choose to work from home. In addition, if your employer has covered your expenses or paid you an allowance, you are not entitled to claim.
- ▶ If you have completed an annual tax return, you will be able to apply for the tax relief via your Self-Assessment.



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THE PROCESS TO CLAIM TAX RELIEF FOR WORKING FROM HOME

You need to use the HMRC working from home **tax relief portal**, where you will be asked a series of questions to check if you are eligible or not. If you have not created any portal account yet, you can do so on the HMRC website, it takes about 10 minutes. You will be provided with a Government Gateway user ID and password.




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Page 3 of 8 - Taxcare Accountancy Newsletter

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HM REVENUE & CUSTOMS

WHAT DOCUMENTS DO I NEED TO

CREATE GATEWAY ID?

To create a Government Gateway ID, make sure to have the following information ready.

1. Your National Insurance number.
2. A form of ID such as a recent payslip or P60, or a valid UK passport.
3. Additionally, if you are claiming an exact amount against your expenses then you will need to provide evidence such as receipts, bills, or contracts.



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HOW MUCH TAX RELIEF CAN I CLAIM?

Each employee can claim up to £125 per year. The amount is made up of either £6 weekly from April 6, 2020, or the exact amount for any expenses incurred in addition to the weekly figure, which you will need the evidence mentioned above for.

Tax relief is calculated at the rate at which you normally pay tax. As an example, if you pay the 20 percent basic rate of tax and your claim for tax relief is £6 weekly, you would get £1.20 per week as tax relief (which is 20 percent of £6) that would result in tax relief of £62.40 a year. Higher rate taxpayers can claim £2.40 a week (40 percent of £6 a week), which would result in £124.80 a year.

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HOW WILL I GET THE MONEY?

Once your claim has been approved, your tax code will be adjusted for the 2021/22 tax year. You will get be paid the tax relief through your salary payment.

HOW TO BACKDATE A CLAIM

If you were required to work from home by your employer during the 2020/21 tax year but did not claim for the tax relief, you can still file a claim.

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Here at Taxcare Accountancy, our team of professional accountants can help make handling Tax Relief much simpler.

Contact us at info@taxcareaccountancy.co.uk or call on **020 8478 3383** today for more details.

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Page 7 of 8 - Taxcare Accountancy Newsletter



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