

Claim tax free allowance for working from home

If an employee has to work at home on a regular basis, either for all or part of the week they may be able to claim tax relief for additional household costs. This includes if they have to work from home because of coronavirus (COVID-19).

If their employer requires them to work from home, they have always been able to claim for increased costs, e.g., heat or electricity, for the specific time at home. Yet during the 2020 lockdown, HM Revenue & Customs (HMRC) launched a '[microservice](#)' which, even if they only needed to work from home for a day, allowed them to get a **WHOLE** year's tax relief.

There are 2 ways for an employee to receive the relief:

- **Employers can pay £6 a week extra tax-free.** Employers can give employees an allowance up to this amount and what they give is free from tax, so the employee gets it all.

But with many employers are struggling so they are not doing this (and they don't have to),

- **Claim tax relief on £6 a week.** If the employer does not pay expenses for extra costs due to necessary working from home, but the employee has them, they can ask for the amount to be deducted from their taxable income.

HMRC says that for claims in line with the employers' payment (i.e., £6 a week), employees will not need to justify the figure – meaning **they will not need to keep receipts** or prove information.

If the employee has higher costs, they can claim more, but they will need evidence of the cost increases and must be able to apportion these extra costs specifically to the fact they are working from home – a much more laborious process.

How to claim TWO years' relief (or an extra one if you've already claimed)

At the start of the new tax year, on 6 April 2021, HMRC confirmed that the same situation will apply for the 2021/22 tax year. If an employee has already claimed for 2020/21 they still need to claim again for 2021/22.

To process claims, most employees can use the HMRC [working-from-home microservice](#). This will require the employee to have a Government Gateway ID. If they do not have one, it can be set up along the way.

The employee will also be asked if they are claiming any other work-related expenses. So if they have to wear a uniform to work, for example, an additional claim can be made at the same time. More details can be accessed from the [microservice site](#).

HMRC has confirmed that as long as an employee is required to work from home and have additional expenses due to it they can still claim the full year's allowance even if they only have one day at home.

**Tax
Tip**

Every employee who is required to work from home is entitled to claim the allowance even if they were only required to work from home for 1 day since lockdown started. If their employer does not pay them £6 per week (tax free) then they should visit the HMRC [microservice site](#) and make a claim.