<u>Almost 800,000 tax relief claims for working from home</u>

Since April, almost 800,000 employees who have been working from home during the pandemic, have already claimed tax relief on household related costs, HM Revenue and Customs (HMRC) has revealed.

The saving is worth up to £125 per year for each employee, and eligible workers can claim the full year's entitlement if they have been told to work from home by their employer, even if it has been for one day during the tax year.

Employees who have either returned to working in an office since early April or are preparing for their return can still claim the working from home tax relief and benefit from the full year's relief for the 2021 to 2022 tax year.

Employees can apply directly themselves and receive the full tax relief that is due. Once their application has been approved, their tax code will be automatically adjusted for the 2021 to 2022 tax year, receiving the tax relief directly through their salary. Agents cannot use the online portal to apply on a customer's behalf.

Myrtle Lloyd, HMRC's Director General for Customer Services, said:

More people are getting back to office working now, but it's not too late to apply for tax relief on household expenses if they've been working from home during the pandemic.

It's quick and easy to check if you're eligible and apply online — go to GOV.UK and search 'working from home tax relief'.

Since April last year, the maximum amount employers have been able to pay tax-free without employees having to provide evidence of an increased bill was set at £6 a week. Employees who have not received the working from home expenses payment direct from their employer can apply to receive the tax relief from HMRC.

Eligible customers can claim tax relief based on the rate at which they pay tax. For example, if an employed worker pays the 20% basic rate of tax and claims tax relief on £6 a week, they would receive £1.20 a week in tax relief (20% of £6 a week) towards the cost of their household bills. Higher rate taxpayers would receive £2.40 a week (40% of £6 a week). Over the course of the year, this means customers can reduce the tax they pay by £62.40 or £124.80 respectively.

If employees were required to work from home during the 2020 to 2021 tax year but did not claim for the tax relief, they have not missed out; HMRC will accept backdated claims for up to 4 years. They will receive a lump sum

payment for any successful backdated claims.

The number of claims made in the 2021 to 2022 tax year is 794,819, as at 27 June 2021, and refers to online portal claims only.

More information about <u>claiming tax relief on work related expenses</u>.

If an employee completes an annual tax return, they can apply for the tax relief via their Self Assessment.