



Sapphire
CONTRACTING

Travel and subsistence



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In April 2016, new legislation was brought in by the Government relating to claiming tax relief on travel and subsistence costs, which affects all agency and umbrella workers. Travel and subsistence costs are any cost related to business travel, accommodation and meals, including congestion and tolls, parking fees, and overnight hotel stays. [You can see a full list of allowable expenses from HMRC here.](#)

Our FCSA accreditation requires us to get the end client to confirm that the worker is not under Supervision, Direction or Control (SDC) before we can complete an SDC test, to ensure the worker isn't under any element of SDC whilst carrying out their assignment. As part of the legislation, workers must prove that they are not under Supervision, Direction or Control of the client or agency that they are working for to claim this tax relief. To determine this, you can [check here](#). HMRC will assume that; agency and umbrella workers are subject to SDC unless the agency or umbrella company has gathered evidence to the contrary.

If someone is working through a Personal Service Company (PSC) and they are correctly operating outside of IR35, this legislation doesn't affect them.



What is Supervision, Direction and Control?

HMRC defines Supervision, Direction and Control as the following:



Supervision is someone overseeing a person doing work, to ensure that person is doing the work they are required to do and it is being done correctly to the required standard. Supervision can also involve helping the person where appropriate in order to develop their skills and knowledge.



Direction is someone making a person do his/her work in a certain way by providing them with instructions, guidance or advice as to how the work must be done. Someone providing direction will often coordinate how the work is done, as it is being undertaken.



Control is someone dictating what work a person does and how they go about doing that work. Control also includes someone having the power to move the person from one job to another.

There is a wide scope of what can be included in SDC, so HMRC has devised a guide to determine what counts, [which you can view here](#). Because there are a wide range of situations that could come under SDC, HMRC assumes that the majority of contractors will be under some element of SDC, and it will be difficult for either umbrella companies or agencies to prove categorically that there is no element of SDC within their contracts.

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