



Travel and Subsistence Expenses Policy

February 2014

Travel and Subsistence Expenses Policy

SECTION	CONTENTS	PAGE
1	Scope	3
2	Basic Principles	3
3	Day Subsistence	3
4	Qualifying Conditions	3
5	Subsistence Rates <ul style="list-style-type: none"> • Breakfast Rate • One Meal (Five hour rate) • Two Meal (Ten hour rate) • Late Evening Meal Rate (irregular late finishes only) • Overnight expenses Incidental personal out of pocket overnight expenses	4 4 4 4 4 5
6	Foreign Travel	5
7	Other Expenses	6
8	Appendix 1	7

Travel and Subsistence Expenses Policy

1. Scope

This policy applies to all employees of the Council.

2. Basic Principles

An employee may be reimbursed legitimate general business travelling and subsistence expenses incurred if they are required to work further than five miles from their home or normal place of work and their travel meets the qualifying conditions set out in this policy.

The reimbursement of travel and subsistence expenses incurred is not an automatic entitlement. Invoices and receipts must be submitted with all claims as evidence of actual cost incurred. Claims submitted without valid receipts will not be processed and will be returned to the authorising officer.

This policy will be reviewed from time to time to ensure it remains compliant with HMRC rules. Legislative changes to HMRC rules will automatically override any part of this policy that becomes non-compliant with legislation.

3. Day Subsistence

Particular payments for "day" subsistence will be made in accordance with the HMRC benchmark system which has a set of advisory scale rates. As long as the employee has incurred subsistence expenses while travelling on an allowable business journey, the payments will be free from tax and NI deductions so long as they do not exceed the advisory rates.

Subsistence payments will not be made where the employee is not travelling on a qualifying business journey, for example, when on a journey that involves ordinary commuting, or similar to ordinary commuting, or private travel.

Additionally, payments will not be made if an employee does not actually incur an expense on meals after leaving home or normal place of work, even if the journey was a qualifying journey. As such, the employee is required to attach a valid receipt as proof of expenditure when submitting their subsistence claim form.

4. Qualifying conditions

The subsistence rates will only be paid where all the qualifying conditions are met. The qualifying conditions are:-

- The travel must be in the performance of an employee's duties or to a temporary place of work. This can also include additional travelling to attend work related training.
- The employee should be absent from his/her normal place of work or home for a continuous period in excess of five hours or ten hours.
- The employee should have incurred a cost on a meal (food and drink) after starting the journey.

- The early starter and late finisher rates are for use in exceptional circumstances only and are not intended for employees with regular early or late working patterns.
- Payments are limited to three meal rates in one day (or 24 hour period). A meal is defined as food and drink.
- Where employees are required to start early or finish late on a regular basis, the over five or over ten hour rates may be paid provided all the other qualifying rules are satisfied. Early start is defined as leaving home to travel before 6.00 a.m. Late finish is defined as finishing work after 8.00 p.m. having worked a normal day.
- Where an employee commences a qualifying journey from a home base which is not their normal weekly residence e.g. a second home, then they may only claim the equivalent of the cheapest journey of the two if the second home base is further away

5. Subsistence Rates

Breakfast Rate

Breakfast rate may be paid to irregular early starters only. A rate of up to £5.00 may be paid where a worker leaves home earlier than usual and before 6.00 a.m. and incurs a cost on breakfast taken away from his/her home. If the employee regularly leaves home before 6.00am because, for example, he/she works an early shift, he/she would not be entitled to the breakfast rate. Reimbursement is the actual amount receipted up to £5.00.

One Meal Rate (Five Hour Rate)

A rate of up to £5.00 may be paid where the employee has been away from his/her home/normal place of work for a period of at least five hours and has incurred a cost on a meal. Reimbursement is the actual amount receipted up to £5.00.

Two Meal Rate (Ten Hour Rate)

A rate of up to £10.00 may be paid where the employee has been away from home/normal place of work for a period of at least ten hours and has incurred a cost on a meal or meals. Reimbursement is the actual amount receipted up to £10.00.

Late Evening Meal Rate (Irregular late finishers only)

A rate of up to £15.00 may be paid where the employee has to work later than usual, finishes work after 8.00pm having worked a normal day, and has to buy a meal which would usually be eaten at home. Reimbursement is the actual amount receipted up to £15.00.

These rates will be reviewed periodically to reflect changes to HMRC rules.

Overnight Expenses

Employees who stay away overnight while travelling on business, or attending work-related training, may be reimbursed the actual cost of legitimate general expenses

incurred so long as the actual cost is reasonable and not excessive and valid VAT receipts or invoices are submitted with the claim form. Employees will be expected to incur the minimal business costs wherever possible, for example, first class travel on public transport would not be considered reasonable if the same journey could be made on a standard or economy ticket. The following expenses may be paid:

- Hotel overnight accommodation
- Breakfast, lunch and evening meals if these are not already included in the cost of the Hotel stay.
- Car parking charges
- Toll charges
- Public transport fares
- Other necessary general business expenses

In accordance with HMRC rules, the above expenses will be free of tax and NI contributions so long as valid receipts covering the full costs incurred are submitted.

Incidental personal out of pocket overnight expenses

An employee who incurs incidental personal expenses whilst staying away overnight may be reimbursed up to £5 for every night spent away on business in the UK and up to £10 for every night spent away on business abroad. Incidental personal expenses include items such as personal phone calls, laundry or newspapers. In accordance with HMRC rules, reimbursement of such expenses will be free from tax or NI deductions. Claims must be submitted with valid receipts as evidence of expenditure.

6. Foreign Travel

There may be exceptional cases when an employee is required to travel abroad to undertake some of their duties. An employee may fall into one of three categories: resident, ordinarily resident or domiciled:-

- An employee is resident in the UK if he/she is physically present here on a regular or frequent basis.
- An employee is ordinarily resident in the UK if he/she is resident in the UK year after year.
- An employee is domiciled in the UK if the UK is their permanent home.

There are different HMRC rules for the different categories listed above. Reference should be made to HMRC 490 Employee Travel Tax and NICs Guide for Employers before any reimbursement for foreign travel expenses are made.

Subject to HMRC rules cited above, employees who are required to travel abroad to carry out part of their duties may be reimbursed the actual cost incurred for:-

- their journeys from the UK to the place the employee will be working and back to the U.K.

- any inoculations required for that journey
- any visas required for that journey
-
- medical insurance
-
- hotel overnight accommodation
- breakfast, lunch and evening meals if these are not already included in the cost of the hotel accommodation
- other necessary general business expenses

7. Other Expenses

Costs incurred for parking fines or traffic offences incurred while travelling on Council business are the responsibility of the employee and will not be reimbursed by the Council

Whenever possible, employees travelling by train, ferry or aircraft should obtain their travel tickets in advance from the Finance Section prior to their journey. Hotel accommodation should also be booked through the Finance Section whenever possible.

Travel and Subsistence Rates

Criteria and Schedule of Rates	
Qualifying Distance from Home / Work	5 miles
HMRC Breakfast Rate	Actual cost incurred up to £5.00
One Meal Rate (five hour rate)	Actual cost incurred up to £5.00
Two meal rate (ten hour rate)	Actual cost incurred up to £10.00
Late Evening Meal rate (Irregular late finishers only)	Actual cost incurred up to £15.00
Overnight Expenses - actual cost incurred on production of valid VAT receipt(s) / invoice(s) so long as reasonable and not excessive. Hotel overnight accommodation Breakfast, lunch and evening meals if these are not already included in the cost of the Hotel stay. Car parking charges Toll charges Public transport fares Other necessary general business expenses	
Incidental personal overnight expenses UK	Actual cost incurred up to £5 per night
Incidental personal overnight expenses abroad	Actual cost incurred up to £10 per night
Subject to HMRC rules employees who are required to travel abroad to carry out part of their duties may be reimbursed the actual cost incurred for:- <ul style="list-style-type: none"> ○ their journeys from the UK to the place the employee will be working and back to the UK, ○ any inoculations required for that journey, ○ any visas required for that journey, ○ medical insurance for treatment abroad, ○ hotel overnight accommodation, ○ breakfast, lunch and evening meals if these are not already included in the cost of the hotel accommodation, ○ other necessary general business expenses 	

S:\personnel\Job Evaluation\Single Status Docs\ss policy drafts 2012 - 2013\FINAL Copies\Travel and Subsistence Expenses Policy Final February 2014.doc

