



The 24 Month Rule

A contractor may only offset travel and subsistence expenses on a given assignment for so long as the contractor knows that the assignment will last for less than 24 months.



The expense rule begins when you first begin travelling from your home (or office) to the client's premises. From then on you may offset travel and subsistence expenses, until you have reason to believe that the assignment will continue for 24 months or more.

If an employee is sent to work at a place to perform a task which is expected to take 20 months (and which is therefore of limited duration), and which does in fact take 20 months, it will be a temporary workplace throughout.

However if there are delays which mean that the task will in fact take more than 24 months the place will cease to be a temporary workplace from the point when it becomes known that the 24 month limit is going to be exceeded. That could well happen even before the original 20 months point is reached.

Conversely, if a task is expected to last for 30 months that workplace will be a permanent workplace from the start. If it should turn out that the task will in fact take less than 24 months the place will become a temporary workplace only from the point when the change of duration becomes known.



If you are aware that the assignment is to last over 24 months at any point in the duration of your employment, and EdenGroup is not made aware of this, you could be liable for re-assessment by HMRC.



The 40% Rule

The 40% Rule is linked directly to the 24 Month Rule. It applies to employees who are mobile and return to a place of work on a regular basis.

If over a period of 24 months you have spent over 40% of your time at a particular workplace - regardless of any gaps in employment -and you return to that workplace, then your workplace will be considered as permanent and you will not be able to claim travel and subsistence expenses.

The 40% rule only applies when **ALL** of the below statements are true:

- You have a 24 month period with EdenGroup to assess (this includes future assignments that you are aware of i.e. if you know that you are on an 18 month assignment and have already worked for 6 months with EdenGroup you will be classed as having a 24 month period to assess)
- + You undertake an assignment at the same place of work as a previous assignment
- + Undertaking this assignment will take your total time spent at that place of work over 40% of the 24 month period

The moment you know the 40% rule will apply to a particular place of work, the workplace will be considered permanent and you will no longer be able to claim travel and subsistence expenses.



Examples of when the 40% Rule would apply and therefore you would be unable to claim travel and subsistence:

If you complete a 6 month assignment at a single workplace, followed by a 6 month assignment at a different workplace, and return to the first place of work for a further 12 months, your third assignment will take you over a 24 month period at the same place of work.

Within the 24 month period, 18 months will have been worked at the one workplace. Therefore, as you have spent more than 40% of your time there, this assignment is no longer considered temporary. At the point you accept the 12 month assignment travel and subsistence expenses can no longer be claimed.

If, at the start of your assignment, you anticipate to spend more than 40% of your time there over a period of 24 months.

If, at any point during your assignment, you are aware that the 40% rule will apply.