

ONSITE CONTRACTORS

BUSINESS EXPENSE GUIDELINES



ICON
ACCOUNTING

www.iconaccounting.ie



TOP QUESTIONS WE GET ASKED ON EXPENSES

WHAT DOES IT MEAN TO CLAIM BUSINESS EXPENSES?

Claiming business expenses involves obtaining tax relief for the cost of business-related expenses by deducting them from your taxable income. This allows you to reduce your tax liability.

HOW CAN I SUBMIT A BUSINESS EXPENSES CLAIM?

To submit a claim for business expenses, simply upload the receipts for your expenses through the convenient Icon Accounting App or Portal. This streamlined process ensures a hassle-free experience.

WHAT INFORMATION IS REQUIRED FOR A BUSINESS EXPENSE CLAIM?

The information needed for your business expense claim depends on the specific expense being processed. This brochure provides a helpful table that breaks down the most common expenses and the supporting documentation required. In some cases, you may also need to complete a pre-approval form or provide a detailed explanation of the expense's relevance and purpose for a particular contract.

CAN I CLAIM PERSONAL EXPENSES?

No, personal expenses cannot be claimed as business expenses.

HOW LONG DOES IT TAKE TO PROCESS BUSINESS EXPENSES?

We strive to process business expenses promptly. As long as you have uploaded all necessary receipts and information onto the Icon Accounting App or Portal, your expenses will be processed during each payroll cycle. For larger expenses or high value expenses, such as business equipment, please note that processing may take up to 6 months under the Umbrella Company.

ARE THERE ANY RISKS ASSOCIATED WITH CLAIMING BUSINESS EXPENSES?

To avoid complications, ensure that your claimed expenses are 100% wholly and exclusively required for a specific contract. Supported by valid receipts and information, your business expenses will be deemed eligible for tax relief. Failure to meet these criteria may lead to Revenue considering an expense as personal, resulting in personal tax liability, interest, and penalties.

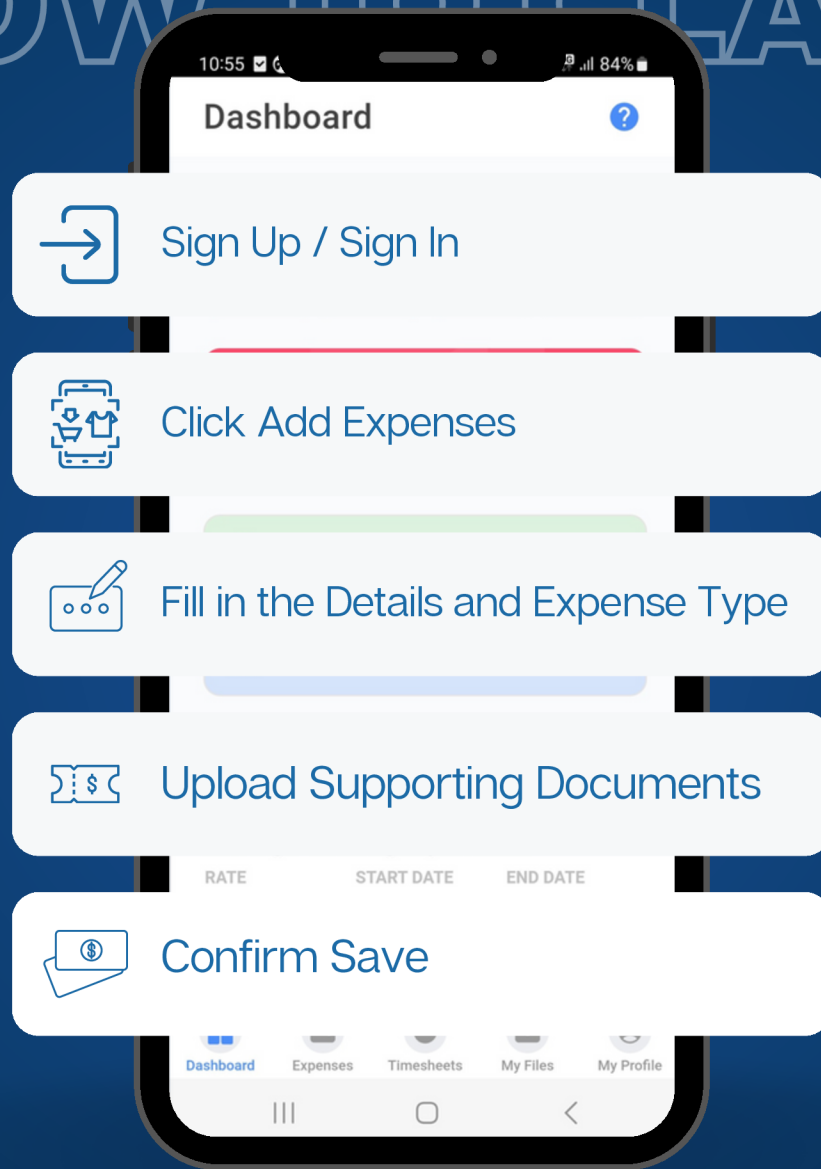
HOW LONG SHOULD I KEEP MY ORIGINAL RECEIPTS?

To comply with regulations, all contractors are required to retain their original receipts for a minimum of 6 years. Revenue authorities may request these receipts during inspections, so it's crucial to keep them readily available. Rest assured, we've got you covered when it comes to maintaining your financial records. With our app, you can effortlessly organize and store your receipts, guaranteeing their availability whenever needed.

HOW TO CLAIM

HOW TO CLAIM

HOW TO CLAIM



DOWNLOAD OUR APP TODAY



TYPES OF BUSINESS EXPENSES

Business Equipment



What is it?

Tax relief may be claimed on business assets which are wholly and exclusively required for a contract under the Director Umbrella Company and/or Personal Limited Company. These can include items such as laptops, mobile phones, tablets, office supplies (e.g., printers, scanners).

Requirements and Supporting Information

- Valid receipt: All receipts for business equipment must be in the name of the Limited Company or Umbrella Company.
- Completion of a pre-approval form: This form explains the necessity of the business equipment for the contract.

What would be classed as non-allowable?

Personal iPads, Personal Phones, Personal Laptops / Tablets or Personal PC's. Repairs.

Additionally, purchasing multiple assets may not be permitted under the Umbrella Company arrangement.

✓ Personal Limited Company

✓ Director Umbrella Company

✗ PAYE Umbrella Company

Software



What is it?

Tax relief on the purchase of software can be claimed, as long as they are related to necessary activities of your contract.

Requirements and Supporting Information

- Valid receipt: All receipts for software must be in the name of the Limited Company or Umbrella Company.
- Completion of a pre-approval form: This form outlines the need and relevance of the software for the contract.

What would be classed as non-allowable?

Software purchased for personal use, or not directly connected to your necessary activities to complete your contract, are considered a non-allowable.

✓ Personal Limited Company

✓ Director Umbrella Company

✗ PAYE Umbrella Company

Postage and Stationery



What is it?

Tax relief may be claimed for postage & stationery expenses required for a contract.

Requirements and Supporting Information

- Valid receipt: A valid receipt for the postage and stationery expenses should be provided.
- Written overview: You must provide a written overview on the Icon Accounting App, explaining the necessity of the postage and stationery items for your contract.

What would be classed as non-allowable?

Personal Stationery and Postage costs.

✓ Personal Limited Company

✓ Director Umbrella Company

✓ PAYE Umbrella Company

TYPES OF BUSINESS EXPENSES

Portion of Mobile & Internet Bill



What is it?

Tax relief can be claimed on the portion of mobile phone and internet costs that are used whilst you complete your contract work; this is known as business usage.

Requirements and Supporting Information

- Valid mobile/internet bill: The bill should contain your name, address, date, and payment information. The bill can remain under your personal name.
- Confirmation of business use: You must confirm that the mobile phone and internet services are being utilized for business purposes or a combination of business and personal use.

What would be classed as non-allowable?

The cost of mobile phone and internet services used solely for personal purposes is considered non-allowable and cannot be claimed for tax relief. When these services are used for both personal and business purposes, contractors are typically required to disallow a portion of the costs for personal usage. The general guideline is to disallow 50% of the expenses.

✓ Personal Limited Company

✓ Director Umbrella Company

✓ PAYE Umbrella Company

Small Benefit Exemption Scheme



What is it?

Contractors have the opportunity to process the purchase of a gift card up to the value of €1500 per year through their payslip. This enables you to enjoy the benefits of tax relief while treating yourself or others to a special gift.

Requirements and Supporting Information

- Me2You Gift Card: To utilize the scheme with a Me2You Gift Card, you should contact your account manager. They will provide you with a link to order your gift card.
- Other Gift Cards: If you prefer to use gift cards other than Me2You, the following requirements typically apply:

What would be classed as non-allowable?

The Small Benefit Exemption Scheme allows for a maximum gift card value of €1500 per year. Any gift card value exceeding this limit would not be eligible for tax relief under the scheme.

✓ Personal Limited Company

✓ Director Umbrella Company

✓ PAYE Umbrella Company

Pension



What is it?

Pension payments including Pension Plans may be processed through the Umbrella Company and Personal Limited Company, where tax relief is granted at source.

Requirements and Supporting Information

- Pension Policy: The pension policy should be addressed to the umbrella company or personal limited company. This ensures that the contributions are made through the appropriate entity.
- For further information on our wealth management service, financial advice and planning, please contact our office.

What would be classed as non-allowable?

Health Insurance.

✓ Personal Limited Company

✓ Director Umbrella Company

✓ PAYE Umbrella Company

TYPES OF BUSINESS EXPENSES

Training Courses



What is it?

If a contract requires specific training to be completed, you can also claim tax relief on this expense.

Requirements and Supporting Information

- Valid receipt: The receipt for the training course should be in the name of the Umbrella Company.
- Completion of a pre-approval form: A pre-approval form must be completed to explain the requirement and relevance of the training course.
- Reference in the contract: There should be a reference in the contract or other supporting documentation to substantiate the need for the training course.
- Timeframe completion: The training course should be completed within the duration of the contract.

What would be classed as non-allowable?

Certain types of training courses may not be eligible for tax relief. These may include long-term educational courses such as diplomas, degrees, or master's programs that exceed the duration of an assigned contract. Additionally, personal educational or training courses that are not necessarily required for a specific contract are considered non-allowable.



Personal Limited Company



Director Umbrella Company



PAYE Umbrella Company

Relocation

WE HAVE

MOVED 

What is it?

Relocation Expenses include the vouched travel costs to Ireland and accommodation costs for the first 3 months of a specific contract.

Subsistence rate: If you have relocated specifically for a contract but haven't sourced accommodation, a subsistence rate of €205.53 per night may be permitted for the first 10 nights of the contract. After the initial 10 nights, you must provide receipts for rent expenses.

Under relocation expenses, the cost of travel to Ireland may also be included as a business expense (i.e Flights / Ferry / Train). Where a contractor has relocated within Ireland, the vouched diesel / petrol costs may be permitted as a business expense for the initial trip to the place of relocation.

Requirements and Supporting Information

- Relocation dates: The relocation should coincide with the start date of the contract.
- Minimum distance: A minimum distance of 100 km is typically required for the relocation to be eligible for tax relief.
- Proof of address: You need to provide proof of address for both your current location and the new location.
- Lease agreement: If you are renting or leasing an apartment/room, a copy of the lease agreement with the landlord's name and PPS number must be provided, along with proof of payment each month.
- Travel to Ireland: Flight details showing your name, date, destination, and cost should be provided.
- Relocation within Ireland: If you have relocated within Ireland, vouched diesel/petrol costs for the initial trip to the place of relocation are required.

What would be classed as non-allowable?

- Changing rental property due to personal reasons or personal discretion.
- Relocation distances of less than 100 km.
- Relocations that do not coincide with the start date of a contract role.



Personal Limited Company



Director Umbrella Company



PAYE Umbrella Company

TYPES OF BUSINESS EXPENSES

Tax Saver Tickets



What is it?

Monthly or weekly tax-saver tickets can be purchased for contractors via Icon Accounting who use public transport to travel to their contract or place of work - <http://www.taxsaver.ie>

Requirements and Supporting Information

- Contractors can purchase their tax saver tickets for public transport through Icon Accounting. The process typically involves the following steps:
- Ordering through Icon Accounting App or Portal: Contractors can log in to the Icon Accounting App or Portal and select the option to order a TaxSaver ticket.
- Providing ticket preferences: Contractors need to enter their preferred ticket type and delivery method for the tax saver ticket.

What would be classed as non-allowable?

Tax Relief is not permitted on daily, weekly, monthly, bus/ train tickets which are purchased directly by a contractor from the ticket desk.



Personal Limited Company



Director Umbrella Company



PAYE Umbrella Company

Bike to Work Scheme



What is it?

The Cycle to Work Scheme is a tax incentive scheme which aims to Encourage employees/contractors to cycle to and from work. Using the Bike to Work Scheme you can claim up to 52% on the cost of a bicycle/electric bicycle and safety equipment (subject to an upper value of the purchase price)

Requirements and Supporting Information

- Valid Receipt/Invoice: The purchase receipt/invoice for the bicycle and safety equipment must be in the name of the Umbrella or Limited Company.
- Eligibility Period: To claim the Cycle to Work Scheme, you should not have availed of it within the last four years.
- Primarily for Work Travel: The bike should be primarily used for the purpose of traveling to and from places of work.

What would be classed as non-allowable?

Purchasing a bicycle for personal use or for personal travel not associated with the contract work.

It's important to note that any purchases exceeding the upper limits of the scheme would also not be eligible for tax relief. It's recommended to contact your account manager for further information and clarification regarding the upper limits of the scheme.



Personal Limited Company



Director Umbrella Company



PAYE Umbrella Company

TYPES OF BUSINESS EXPENSES

Mileage and Subsistence



What is it?

Mileage and Subsistence may be claimed for business travel only. This is classed as ad-hoc travel, away from the normal place of work. Please refer to Revenue's Explanatory Leaflet IT 51 Employees' Motoring/Bicycle and Leaflet IT 54 Employees' Subsistence, Tax Briefing 3 and 4.

Requirements and Supporting Information

- A completed Mileage Form is required.
- Reference in the Contract: The contract should include a reference to demonstrate that travel is required for the specific business purposes.
- Supporting Documentation: To support the claim, the following documentation may be required:
 - A screenshot of the Outlook calendar showing the dates of travel can be used as supporting evidence.
 - Email confirmation: An email confirming the dates of travel required may also be necessary.

What would be classed as non-allowable?

Mileage and Subsistence is not permitted while travelling to and from the normal place of work.

Motor cars effective from 1 September 2022

Official Motor Travel in a calendar year	Engine Capacity: UP TO 1,200 CC	Engine Capacity: 1,201 CC TO 1,500 CC	Engine Capacity: 1,501 CC AND OVER
Band 1: 0 - 1500 km	41.80 cent	43.40 cent	51.82 cent
Band 2: 1,501 - 5,500 km	72.64 cent	79.18 cent	90.63 cent
Band 3: 5,501 - 25,000 km	31.78 cent	31.79 cent	39.22 cent
Band 4: 25,001 km & over	20.56 cent	23.85 cent	25.87 cent

Table of Domestic Subsistence Rates effective from 29 Jan 2025

Subsistence: In order to claim subsistence a contractor must be working away a minimum of 8km from their normal place of work

Overnight Allowances			Day Allowances	
Normal Rate: €205.53	Reduced Rate: €184.98	Detention Rate: €102.76	10 hours or more: €46.17	5 hours but less than 10 hours: €19.25



Personal Limited Company

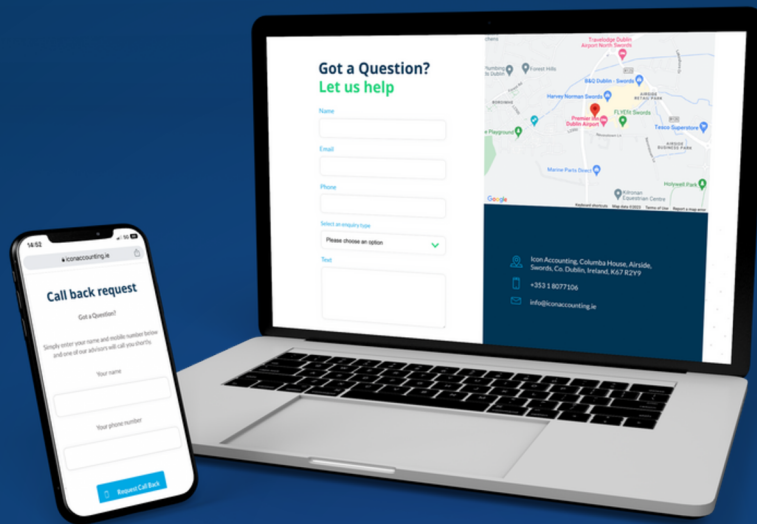


Director Umbrella Company



PAYE Umbrella Company

Have any questions or want tailored guidance based on your individual contract needs?



Get in touch today!



+353 1 8077106



info@iconaccounting.ie

PLEASE NOTE

This document is intended as a guide only to assist contractors make inquiries and to discuss possible tax deductible business expenses