

## Remote workers may be entitled to tax relief

**Every cloud has a silver lining and for many workers who are working from home during Covid-19, the good news is you may be entitled to tax relief.**

E-worker relief is a tax relief on expenses that you might incur while working from home.

According to [Taxback.com](https://www.taxback.com), e-working is characterised as working for substantial amounts of time outside your normal place of work.

You may be entitled to claim the relief if your working week is split between home and an office but not if you bring your work home outside normal hours.

“Employers can pay €3.20 tax-free a day to their employee to cover the additional costs associated with working from home,” explained Louise Murphy, marketing associate with Taxback.com. “However, it is not a legal obligation for employers to make this payment to their employees.

“If you don’t receive this payment from your employer, the good news is that you can claim tax back on a number of household expenses [such as heating, electricity and broadband] instead.

“Keep in mind that you can only claim for the costs that relate to your time working from home.

“Typically, utilities are used for both personal and work use, so the refund will be based on the portion of your overall expenses which relate to your time working from home.

“Simply calculate your total costs and the amount of your time (as a percentage) you spent working from home. You can then claim the tax break on this percentage of the cost.

“Finally, if your employer does pay the €3.20 tax-free amount to you, but your costs exceed this amount, then you can still claim tax relief on the balance,” Murphy explained.

### What are home working expenses?

So to recap, E-working tax relief covers expenses encountered by employees who work from home, including:

- Heating
- Electricity
- Broadband

Equipment provided by employers such as laptops, office furniture, scanners, printers, mobile and broadband are not considered benefit-in-kind where private use by the employee is minimal.

“A benefit-in-kind is a non-cash benefit of monetary value that an employer provides for an employee,” Murphy explained. “These benefits have monetary value and are therefore treated as taxable income. That means PAYE, PRSI and USC are usually deducted.

“Like any form of tax claim, if you work from home and want to apply for tax relief, it is important that you can account for each expense you intend to claim. This means keeping a record of all receipts and bills,” Murphy recommended. “You may also need a letter from your employer stating that you work from home.”

She said that during the Covid-19 outbreak, the tax relief for working from home applies.

“Your employer may pay you €3.20 per day, tax free to cover this. Where your employer does not wish to reimburse the €3.20, you are entitled to claim a deduction in respect of actual vouched expenses (supported by receipts) incurred in the performance of your employment duties.

“It is also worth noting that, if an employer reimburses an employee with €3.20, but actual costs incurred are over the €3.20, the employee can claim a deduction in respect of that excess over the €3.20.

“The relief is given as an income deduction, which means, that relief is given at employee’s marginal rate.

“In other words, if you pay income tax at 20pc, the relief will be at 20pc. But if you pay income tax at 40pc, the relief you can claim will be at 40pc,” Murphy said.

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