



Detached Duty Relief – briefing notes

Headline

An individual sent by their employer to work in a temporary location may be eligible to claim 'Temporary Workday Relief' (TWR) which can also be known as 'Detached Duty Relief' (DDR). Relief is received a deduction against taxable income by claiming qualifying expenses.

It should be noted that such claims are not restricted to individuals coming to work in the UK from overseas, that is the context of this note.

Claim eligibility

An individual who is seconded from their normal place of work for a temporary period is potentially eligible to claim the deduction. Typically this means a period of no more than 24 months. However, there are qualifications that need to be achieved to ensure the relief is available.

Furthermore, if the individual is seconded for a period of more than 24 months, they could be eligible to claim the relief if less than 40% of their working time is in the UK.

What can be deducted

The relief is available for travel expenses. For these purposes, the context is expanded to include travel, subsistence and accommodation. For an employee coming to the UK, the following are some of the main costs that could be included:

- Rent of accommodation,
- Utility bills relating to that accommodation,
- Council tax,
- Travel to and from the accommodation to the place of work in the UK,
- Reasonable dining out, and
- Food when eating at home.

It is important to note that the expense claim is limited to the employee's costs. For example if the employee's family move with them it may be necessary to restrict the claim. This could be the case where an employee rents a three bedroom property instead of a one bedroom. The amount claimable would be the rent payable should the employee be unaccompanied.

Interaction with Tax Equalisation

Often, employees who are seconded to the UK are engaged under 'tax equalisation' arrangements. This results in the employer paying the UK tax on the employment income. The interaction between the equalisation policy and the claim to TWR/DDR should be considered if tax repayments are made, and who these are due to.

Practical considerations

In certain circumstances where the employee is reimbursed by the employer for such costs, relief does not need to be claimed. As they are considered reimbursement of business expenses, it is dealt with outside of UK filing obligations.

However, where the employee is incurring the costs directly, a claim may need to be made through their self-assessment tax return.

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