

Introduction

The Government changed the Travel & Subsistence expense rules for agency and umbrella workers from 6th April 2016.

The changes restrict a worker's ability to get tax relief on his/her travel and subsistence costs unless it can be shown that the worker is not under the supervision, direction or control (SDC) of either the client, agency or ePayMe in the way he/she carries out work.

HMRC assumes that all agency and umbrella workers are subject to SDC unless the agency or umbrella company has gathered evidence to the contrary.

Mobile Workers

Special rules apply to workers whose job it is to move regularly from place to place. Workers that may fall into this category include:

- Social workers that visit patients' homes as part of their job
- Rail workers who move around the tracks under their own steam
- Gas fitters and installers using their own vehicle to move between sites
- Drivers who are required to pick up vehicles from different depots

These workers may still be able to claim their inter-site travel costs even if they are subject to SDC. This is because part of their job requires moving from place to place rather than travelling on a regular basis to one or two workplaces to do their job.

We can determine if you are subject to SDC by completing a matrix questionnaire with you. If we determine that you are a mobile worker, an SDC may not be required. However, we will monitor this on a case by case basis.

What is Supervision, Direction and Control?

HMRC says **Supervision** is someone overseeing a person doing work, to ensure that person is doing the work they are required to do and it is being done correctly to the required standard. Supervision can also involve helping the person, where appropriate, in order to develop their skills and knowledge.



Note: a client checking at the end of a job that it has been carried out properly will not, on its own, amount to supervision.

HMRC says **Direction** is someone making a person do his/her work in a certain way by providing them with instructions, guidance or advice as to how the work must be done. Someone providing direction will often coordinate how the work is done, as it is being undertaken.

Note: if you have an expertise that the client does not it is unlikely that the client will be able to direct you as to how to do your job.

HMRC says **Control** is someone dictating what work a person does and how they go about doing that work. Control also includes someone having the power to move the person from one job to another.

Points to bear in mind

SDC over where the work is done, what is to be done and when it is to be done does not mean you will be caught by the legislation; what is important is whether there is SDC over HOW the work is done.

[Click here](#) for the latest HMRC guidance on the meaning of SDC and how to form a view if the SDC test is met. We will review our contracts with your agency/client to check whether there is a right of SDC in the contract.

How will SDC be determined by HMRC?

To determine if SDC applies, HMRC will look at:

- documentary evidence including the terms of engagement i.e. what has contractually been agreed;
- the way the work has been or is actually done, which will include gathering facts from enquiries with any person involved in the arrangements, including the worker, client and agency.

