

## The 24 Month Rule

### What is the 24 Month Rule?

The 24 month rule applies to Travel and Subsistence expenses.

It is the HM Revenue & Customs rule - stating, that if you have worked, or expect to work at the same site for a 'continuous period' of more than 24 months, then you can no longer claim Travel and Subsistence expenses.

In practical terms it means that as soon as you sign a contract which means the total duration of your work on a particular site will exceed 24 months, you are caught by the 24 month rule. In this circumstance, you should stop claiming Travel and Subsistence immediately.

#### ▪ About 'Same Site'

It is important to understand that this rule is site related. Changing your Agency, your Client or even your Limited Company, will not enable you to avoid the 24 month rule.

Even if you commence working as a Freelance Contractor at a site where you were previously employed, then you must also include the employment period when considering the effect of the 24 month rule.

#### ▪ About Travel and Subsistence

Travel and Subsistence expenses include mileage claims and other travel costs.

Subsistence allowance claims are to cover overnight accommodation meals etc. when staying away to carry out your work.

#### ▪ About 'Expect to Work'

This phrase means that if you have a contract with an end date that is more than 24 months after you started on that particular site, then you are caught by the 24 month rule.

#### ▪ About 'Continuous Period'

A 'continuous period' actually means that more than 40% of your working time is spent at the same site over a period of more than 24 months.

For example, if on average, 2 days of your working week are on the same site for more than 24 months, then the 24 month rule will apply.

It also means that as soon as you have been at a site for more than 24 months, you should not claim Travel and Subsistence expenses again on that site until you have been away from it for a further 24 months.

If you have any questions, please do call us on 01793 818400.