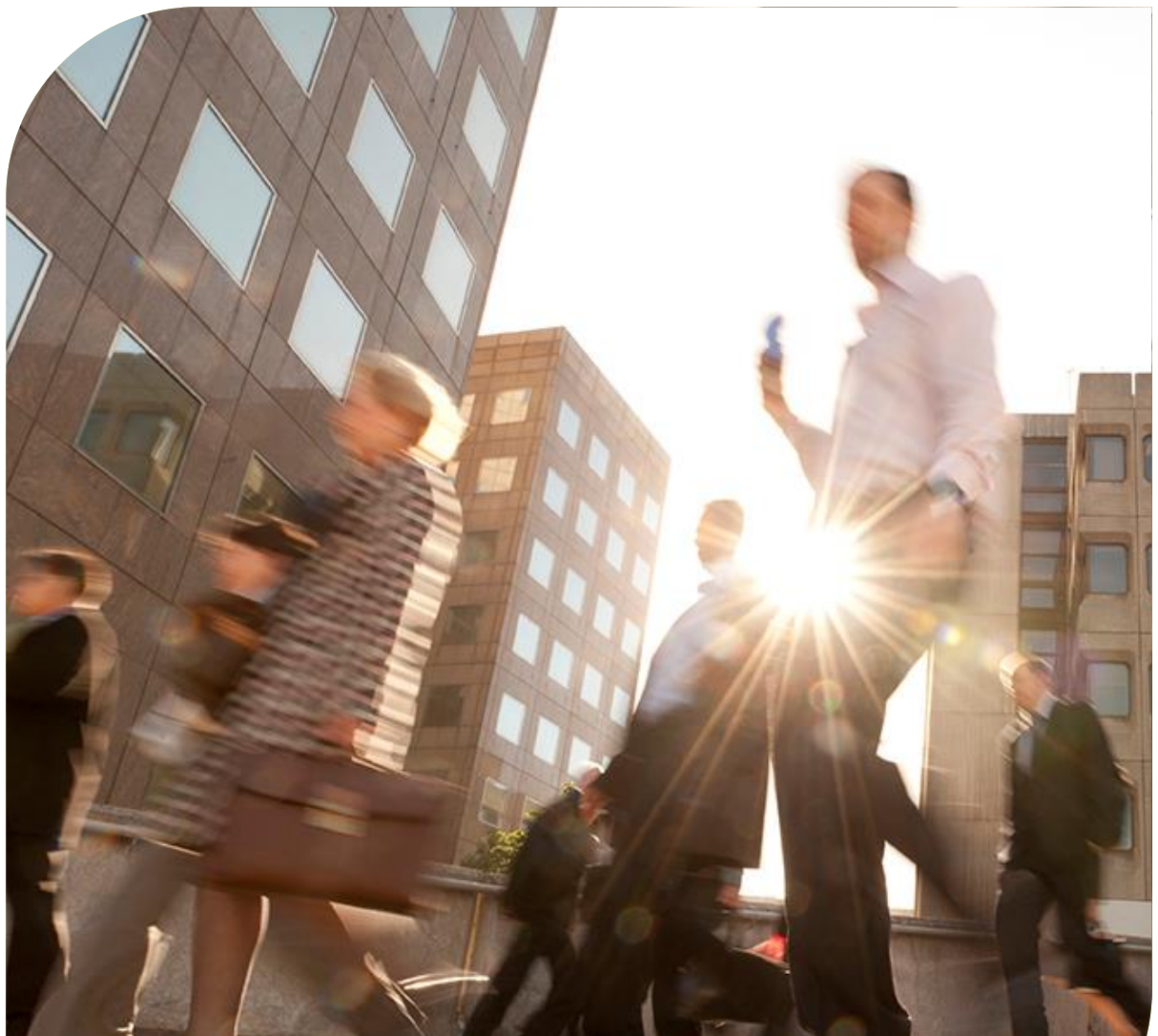


Qualitative research on employees' non-reimbursed expenses tax relief

HM Revenue and Customs Research Report 507
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Glossary of terms

More information on the terms included in the glossary below can be found on <https://www.GOV.UK/tax-relief-for-employees>.

Term	Explanation
AMAPs	Approved Mileage Allowance Payments: This is the monetary amount per mile which employers can reimburse their employees free of tax for using their own vehicle for a qualifying business journey. Currently set at 45p per mile for cars/vans for the first 10,000 miles travelled in a tax year (25p for each subsequent mile). If employers reimburse below these rates their employees may be able to claim Mileage Allowance Relief (MAR) from HMRC on qualifying business journeys.
Employee non-reimbursed expenses	Many employees incur expenses as part of doing their job. Where employees are not reimbursed by their employer, the employee can claim tax relief for eligible expenditure directly from HMRC.
Claiming tax relief on non-reimbursed expenses	<p>There are many different ways of claiming from HMRC:</p> <ul style="list-style-type: none"> • by submitting a “claim income tax relief for your employment expenses” form (P87) through the Personal Tax Account online • by posting a hard copy of P87 form to HMRC • through Self-Assessment if the claim is for expenses totalling more than £2,500 or if the customer is already filling in a self-assessment form for a different reason • by letter or over the phone (if you’ve already claimed expenses in a previous year and your total expenses are less than either: £1,000 or £2,500 for professional fees and subscriptions). <p>More information on the different types of claims processes can be found in Chapter 1 (Executive Summary) and 2 (Background, objectives and method).</p>
FRE	Flat Rate Expenses: Flat rate expense deductions are an alternative to claiming actual expenses. They are available to those who work in trades and industries in which there are common and essential job-related expenses. It is often used in relation to the cost of upkeep and replacement of uniform and protective clothing & laundry costs – in relation to these, the standard amount per year on which tax relief can be claimed is £60. However, other amounts apply across other types of expenses ¹ . The amount that can be claimed for these expenses is set and can be claimed without submitting receipts.
Government Gateway	The Government Gateway is a website you use to register for access to a range of online government services – including the Personal Tax Account (and an alternative way to register is to use Verify) ² .
Tax Refund Agent	A business that will assist customers in their tax relief claims and make the claim on their behalf – for an agreed commission.
P87	A P87 is the form used to claim income tax relief for employment expenses. When we refer to the ‘P87 form’ throughout the report we are referring to the version of the form that has to be printed out rather than accessed through the Personal Tax Account. The

¹ Industries and trade bodies can agree a higher rate with HMRC where circumstances may vary for different occupations. Further information can be found at: <https://www.gov.uk/guidance/job-expenses-for-uniforms-work-clothing-and-tools>

² <https://www.GOV.UK/government/publications/introducing-govuk-verify/introducing-govuk-verify>

	reference to the 'P87 PTA form', refers to the online form that can be completed and submitted through the PTA.
PTA	Personal Tax Account: The Personal Tax Account is an online service that allows people to view information and make transactions relating to their tax and national insurance contributions, and any child benefit or tax credits they receive, in one place. The P87 form and Self-Assessment can be accessed and completed through this account.
SA return	Self-Assessment return. Customers who are self-employed, some employees and some other customers with high incomes are required to complete a SA return by HMRC. Employees whose claim exceeds £2,500 must make their claim on a SA return rather than on the P87. A section of the SA form allows employees to make a claim for non-reimbursed expenses .
Tax Codes	A tax code is used by employers or pension providers to work out how much Income Tax to take from pay or pension. Changes to tax codes may result when a customer's job or situation changes. HMRC change tax codes to ensure people are receiving the correct reliefs (including non-reimbursed expenses relief) and pay the correct amount of tax.
Tax relief on employee expenses	Tax Relief on employee expenses means paying less tax, to take into account the money an employee has spent on specific things relating to their day-to-day job role, which has not been reimbursed by their employer. Where a customer makes a claim, they will not be reimbursed for all the money they have spent – only for the income tax on the amount spent (i.e. Basic Rate taxpayers will usually get 20% of the value of the expense back).

1 Executive Summary

Background

- 1.1 This research was commissioned to provide HMRC with insight into how well employees understand the process and system for claiming non-reimbursed expenses. The specific objectives of the research were to:
- Explore employees' views on and experiences of current employer practices for reimbursing employee expenses, and tax rules on these expenses;
 - Explore understanding of, views on and experiences of, the administration of the non-reimbursed expenses tax relief claim system; and
 - Understand what opportunities may exist to improve the process for customers.
- 1.2 A qualitative approach was adopted, which included 53 in-depth interviews and 2 mini-discussion groups (including 9 people in total). All of the participants had made a claim in the 18 months prior to the fieldwork, to ensure that they would be able to recall the process and their experience of making a claim. The selection process meant many of the P87 customers had submitted their claim for the first or second time, whereas the SA customers were generally more experienced and some had been submitting expenses claims for many years. All recruitment and fieldwork took place between 18 January and 29 March 2018. Of the 53 interviews, 34 took place face-to-face, with the remaining 19 taking place by telephone.

How did people find out they can claim?

- 1.3 Customers commonly became aware of being able to claim tax relief on non-reimbursed expenses by word-of-mouth; through friends, family and work colleagues. There were very few cases of customers actively seeking out information about making a claim, rather the topic happened to arise during a wider conversation about personal finances or work-related expenses.
- 1.4 A few customers claiming relief via a Self-Assessment (SA) return had also 'stumbled' across information on non-reimbursed employee expenses during one of the occasions when they were completing their SA return, and were searching for information on it. These customers – who were typically completing an SA return for other reasons - were looking for information on issues relating to their self-employment or other untaxed income, but happened to come across information specifically related to employee expenses.
- 1.5 There were few examples of customers proactively researching information or guidance over what is allowable. However, where they did search for information, they commonly used search engines such as Google.
- 1.6 In rarer cases, employers had communicated information to staff through email, newsletters or information on notice boards. This tended to occur when employers were changing their reimbursement policy and were either informing employees of the possibility of claiming tax relief from HMRC or were reacting to complaints/queries from employees in response to the change in reimbursement policy.

How well did people know what they could claim for?

- 1.7 Customers claiming through an SA return had the best working knowledge of the types of expenses on which tax relief could be claimed.
- 1.8 Customers with a more limited understanding of what can and cannot be claimed tended to be less knowledgeable for one of the following reasons:
- They chose to look only for information about the one or two types of expenses that their friends, family members or colleagues mentioned;
 - They tried to search for more general information on expenses but found the information unclear; or
 - They claimed through a tax refund agent.
- 1.9 Customers were clear on many of the expenses they could claim, such as travel, overnight stays, subsistence and professional fees. However, they commonly struggled to understand exactly what mileage costs could be claimed back. The key point of confusion arose when employers were covering some of the mileage costs, so customers had to work out the difference between what their employer was paying and what HMRC gives relief on.

How well did people understand what they would receive?

- 1.10 Most customers referred to the term “tax relief” without prompting when discussing their claims experience. However, their understanding and expectations of what they would receive from HMRC differed greatly, even if they were familiar with the terminology. Broadly customers could be divided into three distinct groups:
- Customers who understood from the outset they were claiming a tax relief and would only receive a percentage of the non-reimbursed expense they had incurred based on their rate of income tax. These were often customers who were already filling in a SA return, who were more knowledgeable about the process and wider tax/financial management. They tended to be able to calculate what they expected to receive from HMRC (in most cases their reimbursement was in line with expectations).
 - Customers who initially assumed they would be getting a full reimbursement equal to the value of their expense and were therefore surprised when they found the value of what they got back to be less than expected. These customers were most often claiming Flat Rate Expenses (FRE) and reported finding the guidance on this expense to be confusing.
 - Customers who were unclear, even after going through a full claims process, as to what they were getting back and how it was calculated. These customers were sometimes confused about payment or tax-code letters they had received from HMRC. They were not always sure whether this correspondence was related to their specific claim or about another tax related issue. Customers who had used tax refund agents were also unsure about the claims process, calculation and reimbursement. It seemed that the agents did not always clearly explain the process to these individuals and they were commonly the least informed customers.

1.11 P87 customers (paper and through PTA) were often not sure as to how the process of claiming and receiving the relief worked in practice. Customers were also not clear on why they were given the tax repayment in the way they were (i.e. cheque or tax code), and often perceived this to be a decision³ that HMRC had made, rather than one they had been involved in. More generally, few customers had a detailed understanding of what the letters in the tax code meant/related to and not everyone was clear the numbers related to their personal allowance. There was a limited understanding that cheques were generally paid for backdated claims and this caused some confusion when a cheque was provided alongside a change in tax codes. There were also a few instances of customers not being aware that they had received a repayment at all. It is likely that these customers had their tax code adjusted but were unaware that this had taken place.

What improvements do people suggest for the claims process?

1.12 Customers were generally positive about their overall experience of the process of claiming tax relief on non-reimbursed employee expenses. However, as outlined above they were often unclear as to how the repayment was calculated.

1.13 The paper P87 form and the P87 form submitted through the PTA were perceived to be relatively straightforward to understand and complete. That said, there were several areas where customers felt improvements could be made to the claims process:

- **Clearer guidance around eligibility and what can and cannot be claimed.** There was evidence to suggest that confusion arose around FREs and mileage claims for using your own car for business journeys (Mileage Allowance Relief).
- **Tailor the language being used in FRE guidance towards specific professions.** A few customers were not sure if they were eligible to claim FREs as their specific profession was not listed within the information. Customers understood that not every single profession could be listed but this lack of clarity did cause some concern and confusion in a few cases. In addition, they were not aware that if the expense exceeded the flat rate outlined they could put through a claim for the actual cost of the expense⁴.
- **Better signposting towards the PTA and clarity over the P87 form claims process⁵.** Having accessed the P87 form online customers were frequently surprised when they reached the end of the form and they were told to print it out, sign it and post it to HMRC. Some did not have access to a printer and customers reported that they had not realised that this form couldn't be submitted online. These customers were not aware of the PTA and they had not realised there was another means of completing the claim fully online.
- **Better signposting of the P87 form within the PTA.** Customers who were aware of the PTA struggled to find the form. There could be clearer signposting and labelling of the form

³ If a P87 form is completed during the financial year and under £2,500 the customer can choose to be reimbursed by cheque or a change in tax codes.

⁴ Provided they had kept the receipts.

⁵ While the P87 form can be completed and submitted online through the PTA, it can also be accessed online through GOV.UK and printed off to be sent back to HMRC in the post. Accessing the P87 in this way requires customers to complete the form on their computer before printing and posting a paper copy to HMRC.

within the online portal. Even when it had been found, customers were not always confident it was the right form.

- **More pop up boxes / information / guidance throughout the P87 on the PTA.** When people found the form, they felt it could do with information pop ups to clarify how to complete the various boxes on the form. FREs were again cited as a phrase that customers were not clear on and when it was mentioned in the form, it caused some confusion.
- **Improve certainty of outcome.** Customers felt that their confirmation letter could have been more clearly worded. This was especially true of letters explaining tax code adjustments – the formatting and use of tax terminology seemed to confuse rather than clarify the outcome of the claim. Indeed, some customers were uncertain on whether their claim was successful, partially successful or not successful at all.

What is the best way to keep HMRC updated when customers' circumstances change?

- 1.14 Customers were generally receptive to HMRC making changes to the way the tax relief is administered, based both on their unprompted feedback on the process and feedback on the two concepts.

Concept 1:

At the moment, if your tax code is adjusted, the resulting change will continue to be applied to subsequent years unless you tell HMRC otherwise. However, it's possible that HMRC could make this change for you, if it became obvious that the expenses tax relief was no longer applicable. For example, on your retirement.

- 1.15 It is important to note that the first half of this concept is currently how the system works. If a P87 customer submits a claim one year, the resulting change will often continue to be applied each year until they inform HMRC that their circumstances have changed⁶.
- 1.16 Most customers were generally positive about HMRC adjusting tax codes automatically and felt that automatic adjustments would avoid the administrative burden of having to inform HMRC that their circumstances had changed.
- 1.17 However, a few customers had reservations and raised concerns over the proposed concept. These related to worries that mistakes could be made by HMRC in making assumptions and applying these automatically. Their prevailing concerns were that they would end up “out of pocket” or be liable/seen to be at fault for any mistakes that occur through automatic changes to their tax codes.

⁶ However, P87 customers were often not actually aware that the current system means the change to your tax code following a claim is carried forward to future years, unless they inform HMRC otherwise.

Concept 2:

Another possible change that HMRC could put in place is to request that customers submit expenses tax relief claims every year. Rather than assume expenses are the same unless you tell HMRC otherwise.

- 1.18 Customer reactions to this concept were largely positive. Most customers submitting their claims through a P87 form had (incorrectly) assumed they had to submit it every year anyway and therefore didn't see this as a 'new' process as such.
- 1.19 SA customers were also broadly positive about the potential change – making it more aligned with their customer experience of making the claim.

2 Background, objectives and method

Introduction and background

- 2.1 HMRC data shows almost 5 million individuals benefitted from tax relief on non-reimbursed expenses in 2015-16. This tax relief cost the Exchequer £740 million, which was a 25% increase from the cost in 2013-14.
- 2.2 At Autumn Statement 2016, the government announced that a call for evidence would be published to better understand the use of the income tax relief for employment expenses, including those that are not reimbursed by their employer. The call for evidence ran between 20th March 2017 and 10th July 2017, and a response was published on 1 December 2017.⁷
- 2.3 To complement the call for evidence, this research was commissioned by HMRC who wanted to understand employees' experiences of the process of claiming tax relief on employment expenses and better understand how the system is currently working and what opportunities may exist to improve it in the future.
- 2.4 There are several ways that customers can make a claim for tax relief on non-reimbursed employee expenses which will be explored in this report. Customers can submit a "claim income tax relief for your employment expenses" form (P87) online through the Personal Tax Account or by completing the form on GOV.UK, printing it out and then posting it to HMRC.
- 2.5 It is also possible to make a claim through a SA return. Customers would use this form to make a claim if they were already filling in a SA return for other reasons or if the claim is for expenses totalling over £2,500. Customers can also make a claim over the phone and in writing to HMRC. None of the customers who took part in this research project had recently submitted their claim in this way, but a few mentioned completing a claim in this way in the past.

The objectives of the research

- 2.6 The specific objectives of the research were to:
 - Explore employees' views on and experiences of current employer practices for reimbursing employee expenses, and tax rules on these expenses;
 - Explore understanding of, views on and experiences of, the administration of the non-reimbursed expenses tax relief claim system; and
 - Understand what opportunities may exist to improve the process for customers.

Methodology

Overview of approach

- 2.7 A qualitative approach was adopted, which included **53 in-depth interviews** and **2 mini-discussion groups** (including 9 people). This approach was considered the most appropriate for the research because the rapport developed with employees in one-on-one and group

⁷ www.GOV.UK/government/consultations/taxation-of-employee-expenses-call-for-evidence

discussions encourages them to provide an open and detailed account of their experiences of the claims process. No customers participated in both in-depth interviews and focus groups.

- 2.8 All recruitment and fieldwork took place between 18 January and 29 March 2018. Of the 53 interviews, 34 took place face-to-face, with the remaining 19 taking place by telephone.
- 2.9 The in-depth interviews were recruited using a sample of customers who had claimed tax relief on non-reimbursed expenses in the last 18 months. The sample was provided by HMRC. Most P87 customers were relatively new to claiming tax relief on non-reimbursed employment expenses - they had either claimed a handful of times or they were first time claimants - and this approach was taken in order to gain an insight into the experience of newer customers and any current pinch points in the process of making a claim. SA return customers tended to be more experienced and had regularly submitted the return for many years. The mini discussion groups were free-found, focusing only on people that had submitted a P87 (either by post or through the PTA).
- 2.10 The in-depth interviews sought to develop a general understanding of customers' awareness and understanding of how the claims process works and their reactions to possible new ways of administering it.
- 2.11 The mini discussion groups sought to build upon the findings from the in-depth interviews, with more focus on the support required during the claims process and ways in which HMRC could improve the process.

Achieved sample structure

- 2.12 In-depth interviews were primarily recruited by the following key criteria: the way the claim was made; type of expense claimed; income; sector of employment; and the value of the claim. Quotas were set for these criteria to ensure a range of customers were spoken to during the research and any differences in customer experience across the criteria were established. A full breakdown of quotas set and interviews achieved can be seen in table 1.1.

Table 2.1: In-depth interview participants

	Description	Quota	Completed
Type of claim	Non-SA: by P87 form submitted by paper or phone	10 -15	16
	Non-SA: by P87 form submitted online or via PTA	Min 10	12
	SA full assessment and short form Agent (HVRA) submitted forms	10 (6 full form, 4 short form - monitor)	19
		5 - 10 (monitor)	6

	Description	Quota	Completed
Type	Flat rate expenses (FREs)	10 - 12	14
	Travel and subsistence	10 - 12	26
	Self-funded training (using prof fees as a proxy)	8 - 10	20
	Other types of expenses	Min 15	19

	Description	Quota	Completed
Sector	Health and social work	10-12	28
	Education	8-10	3
	Retail	8-10	6
	Other (Finance and Insurance and Construction)	15+	16

	Description	Quota	Completed
Income	£11,501 – £20,000	10 - 15	18
	£20,001 - £45,000	10 - 20	18
	More than £45,001	8 - 10	16

*One individual refused to provide their income.

	Description	Quota	Completed
Size of claim	Claims under £2,500	Min 20	39
	Claims over £2,500 but under £5,000	Min 15	12
	Larger claims over £5,000	Min 3	2

2.13 A full breakdown of the achieved sample structure for the 2 mini groups is included in Annex C.

Interpretation of findings

2.14 Throughout this report the findings from the in-depth interviews and the mini-discussion groups are covered together to provide a holistic view of customers attitudes and behaviours. The findings show the spread of opinions among the research participants. The nature of qualitative research means there can often be a wide range of differing views.

2.15 While qualitative research will provide rich detail on individual circumstances and experiences, the aim of qualitative research is not to generalise findings to the wider population. Findings should therefore be interpreted in this context and should not be taken as representative of all customers making claims for tax relief on non-reimbursed expenses.

3 Awareness of how to claim and what can be claimed

Awareness of being able to claim

3.1 P87 and SA return customers commonly became aware of being able to claim tax relief on non-reimbursed employee expenses by word-of-mouth, through friends, family and work colleagues. There were very few cases of customers actively seeking out information about making a claim, rather the topic happened to arise during a wider conversation about personal finances or work-related expenses.

3.2 The information from friends, family or work colleagues tended to revolve around a specific expense or expenses that they had claimed tax relief on in the past.

I think it was one of my colleagues that said she was claiming so I thought, 'Well, they are doing it, I should do it as well'

Claimed through SA return, Female, Professional Fees and FRE

3.3 A few SA return customers – who were typically completing an SA return for other reasons – had also 'stumbled' across information on non-reimbursed employee expenses when they were searching for information on their SA return. These customers were looking for information on issues related to their self-employment but happened to come across information specifically related to employee expenses.

I just stumbled across it. I had no knowledge of it at all before that. Then, subsequently, every year since then, I've been claiming it through my self-assessment. Other people didn't know it at my work at all.

Claimed through SA return, Female, FRE

3.4 In rarer cases, employers had communicated information to staff through email, newsletters or information on notice boards. This tended to occur when employers were changing their reimbursement policy. These changes generally involved a reduction in the expenses that would be reimbursed by the employer. It was very rare for employers to suggest that they were entirely removing any reimbursement for work related expenses. Staff could not always recall the exact content of the communications, but the general message from the employers was that it was possible to claim *something* through HMRC. Customers were clear that the employer communications were not suggesting they would definitely be able to claim through HMRC. In one specific case, a member of the employer's HR Department had directed a customer to HMRC, as the employee was not happy that their employer was no longer reimbursing certain expenses.

3.5 In a few cases, customers had become aware of claiming tax relief on employee expenses through advertisements on social media, specifically Facebook. It is unclear who was placing these adverts, but they were not produced by HMRC. These types of adverts either came up on their Facebook feed because a friend had tagged them in it, or they just happened to appear on their Facebook notifications feed. These customers then clicked on the advertisements to find out more about claiming tax relief on non-reimbursed employee expenses.

The article said that you could claim back some money if you wear a uniform to work – I do, so thought it would be worth it. The video that was linked to the Facebook page was a BBC news feature, so I believed it.

Claimed through P87 PTA form, Male, FRE

- 3.6 Customers that had used a tax refund agent to complete their claim, tended to hear about the possibility of claiming tax relief on non-reimbursed employee expenses through the agent. This was not something they were previously aware of until either the tax refund agent contacted them directly about it or they saw an advertisement for the agent. Further information on experiences with tax refund agents can be found in Chapter 6.

I had a letter sent to me from the agency themselves, just to fill a few details in.

Claimed through tax refund agent, Male, FRE

Levels of understanding of what can be claimed

- 3.7 Overall customers were consistently aware that they could claim for travel, overnight stays, subsistence, replacing specialist work clothing, washing of uniforms, and professional fees and subscriptions. The expenses that seemed to have the lowest levels of awareness were expenses for working at home, including electricity and phone bills. Customers were generally aware that they could not claim for any of the costs of travelling to work from home.

Now you have mentioned it there could possibly be quite a bit. I use my house for my office and I've never thought about claiming back on this before.

Claimed through SA return, Female, Travel, Subsistence and Professional Fees

- 3.8 Customers were clear that they could claim back tax relief on some mileage costs if they use their own car for qualifying business journeys through HMRC. However, mileage costs were cited as being potentially difficult to work out and understand. A key point of confusion arose if the employer reimbursed something towards their costs as this would have meant having to work out the difference between the approved mileage payment amount and what the employer reimbursed.

Factors impacting on customers' understanding of what can be claimed

- 3.9 Customers' understanding of what can and cannot be claimed varied. Some customers were very 'clued up' while others had a more limited understanding, which tended to be purely focused on the expense(s) that had been originally mentioned by friends, family members or colleagues.
- 3.10 The customers who were most likely to understand the full range of expenses that can and cannot be claimed, either had prior experience of filling out the SA return or were financially savvy individuals.
- 3.11 Prior experience of filling out the SA return meant that these customers had a solid knowledge basis of what employment related expenses could and could not be claimed through HMRC. The financially savvy individuals may not have had prior experience to draw on, but they generally had a strong understanding of how the tax system worked and the terminology that would be used. Therefore, these customers found the guidance and information around employee expenses to be very clear and digestible.

Going back 30 years now. Somebody could say, 'Oh, those expenses weren't reimbursed in those days,' and I'll stand corrected but as my memory is, that as long as I can remember that [professional fees] have been a deductible expense.

Claimed through SA return, Male, Professional Fees and MAR

3.12 The customers with a more limited understanding of what can and cannot be claim tended to be less knowledgeable for one of the following reasons:

- They choose to look for information solely on the expenses that their friend, family member or colleague mentioned;
- They tried to search for more general information on expenses but found the information unclear; or
- They claimed through a tax refund agent.

3.13 It was quite common for customers to only search for information on the expense(s) that had been mentioned through word-of-mouth. This seemed to either be due to customers not feeling that they had the time to search for/read further information or they assumed that the expense that had been mentioned would be the only one that they would be entitled to.

Read briefly what you could claim and started it.

Claimed through P87 PTA form, Female, FRE

3.14 Some customers had looked for further information on GOV.UK or read the guidance notes. However, the information provided by HMRC was felt to be confusing or unclear. The terminology that was used within the guidance notes or on GOV.UK was felt to be too complex and to contain 'jargon'. Some customers specifically mentioned that the FRE information was not clear as the professions outlined in the form(s) did not completely match or map onto their occupation.

I mean, because it didn't have my profession down, so, technically, I'm not 100% sure that I could claim for all the washing... It was just ambiguous, because it didn't give my profession, though it said you can claim [for washing uniform].

Claimed through SA return, Female, FRE

3.15 The customers that went through a tax refund agent seemed to consistently have the most limited understanding of what they could and could not claim.

The extent to which customers understand they are claiming a tax relief

3.16 Most customers referred to the term "tax relief" without prompting when discussing their claims experience. However, their understanding and expectations of what they would receive from HMRC differed greatly, even if they were familiar with the terminology. Broadly customers could be divided into three distinct groups:

- Customers who understood from the outset they were claiming a tax relief and would only receive a percentage of the non-reimbursed expense they had incurred based on their rate of income tax.
- Customers who initially assumed they would be getting a full reimbursement on the value of their claim and were therefore surprised when they found the value of their claim to be less than expected; and

- Customers who were unclear, even after going through a full claims process or through a tax refund agent, as to what they were getting back and how it was calculated.

Customers who understood from the outset they were claiming a relief

3.17 These customers most commonly made their claim through a SA return and were familiar with the process of submitting a return annually. They demonstrated higher levels of financial awareness. In nearly all cases, the customer was reimbursed with the amount they were expecting (although in some cases the customer still owed money to HMRC due to liability arising from other income streams).

3.18 Some of the customers submitting claims through an SA return made calculations on how much they were expecting to receive in Excel workbooks (often alongside other/notes calculations as part of their wider SA return).

Well, I think it works fine. Obviously, I never really have any feedback as to whether it's done correctly or not. I mean, I think self-assessment is a very good, economical way of doing tax.

Claimed through SA return, Male, Professional Fees & Subscriptions

Customers who initially assumed they would be getting a full reimbursement

3.19 These customers were most often claiming FREs and admitted that they had thought the FRE value provided in guidance materials would be the amount they would receive rather than only expecting the tax relief on this amount. In several instances this led to disappointment with the amount they received. Customers were generally not aware that if the expense exceeded the amount available as a FRE they could claim actual costs incurred instead of the FRE amount, provided they kept the receipts.

3.20 Indeed, some customers felt that they'd benefit from clearer information about what a claim for FREs means in terms of the likely value of reimbursement.

For three years I got ten quid and what is that going to do? That is not going to cover half a year of using the washing machine ... probably less than that. They should be more realistic about entitlements ... to say it is a Flat Rate of £60 and that is not what you get is a waste of time and false.

Claimed through P87 form, Male, FRE

Well, it was a bit confusing where it said about the £60, and I thought, 'Oh, that's quite good,' because that's quite a covering of, because you must wash your uniform literally every time you finish a shift, because of infection control and things. Then the shoes as well, you have to have a pair of decent shoes. I thought, 'Oh, that's quite good, because that's then covered it,' and then I saw that it was only 20%, so it's £12. I was, like, 'Wow, that's really not a lot.'

Claimed through P87 PTA form, Female, FRE

3.21 Where customers made claims for other expenses (rather than a FRE) their understanding was generally better that the full amount would not be reimbursed, but not in all cases, with customers more likely to feel unclear about this when they first made the claim.

Customers who were unclear on what they would get back

3.22 Some customers explained that they were not sure about the value of the refund that they would receive, or how it was calculated. However, they tended to be clear on the type of

expenses they had claimed. This group included several of the customers using tax refund agents, who were less engaged with the entire claims process.

- 3.23 These customers were sometimes confused when receiving communications from HMRC, as they were not always clear on whether this correspondence was related to their specific claim or another tax related issue.

HMRC expect you to understand a lot about how the system works, so they expect a baseline level of tax understanding, which I just don't have. They send things on an individual tax year. So, you get given individual pieces of paper in the post that amount to one year, and then you're left to work out how they all tie together. So, there are all sorts of things that just make it difficult for someone who's not tax literate to understand.

Claimed through P87 PTA form, Female, Professional Fees & Subscriptions

- 3.24 That said, they often took the view that to get anything back was a 'positive' and trusted HMRC to get the calculations correct. We only had a few examples of customers challenging the calculations made by HMRC. In one case, HMRC accepted that the calculation they had made was incorrect and they amended the customer's tax code accordingly.

Understanding of tax codes

- 3.25 Nearly all customers understood they had a tax code specific to them and that this code related to the amount of tax they would pay in a tax year. However, few had a detailed understanding of what the letters in the code meant and not everyone was clear the numbers related to their personal allowance.
- 3.26 In both focus groups, discussion around the logistics of tax codes highlighted a genuine interest from customers in finding out more about how they work and when/why they are updated. This was further evidenced by the request of some customers to take the stimulus material – explaining tax codes - home with them.
- 3.27 SA customers were more familiar with tax codes, explaining they usually had the choice to collect a repayment through tax codes or by cheque.
- 3.28 Among P87 customers, understanding of how tax codes were changed in relation to the specific claim was very mixed and dependent on whether they had received a cheque in the post or not. Customers were often not clear on why they were reimbursed in the way they were (i.e. cheque or tax code) and perceived this to be an HMRC decision⁸.
- 3.29 There was also a limited understanding that cheques were generally paid for backdated claims and this caused some confusion when a cheque was sent and received around the same time as a change in tax codes.

First, I thought I'd be paid via BACS and then it was cheque. All as opposed to a tax code adjustment.

⁸ If a P87 form is completed during the financial year and the value of the claim is under £2,500, the customer can choose to be reimbursed by cheque or by a change in tax codes.

Claimed through P87 form, Male, Travel & Subsistence

- 3.30 Given some customers' limited understanding of what tax codes are, when customers received a tax code adjustment, they were not always clear on what adjustment had been made and whether it was correct. The letter customers received to explain tax code adjustments seemed to confuse some customers rather than clarify the situation.
- 3.31 There were also a few instances where customers did not recall receiving any communication to confirm the outcome of their claim, leading to uncertainty and among one customer, a perception their claim had been unsuccessful.
- 3.32 Very few customers were aware that when tax codes were adjusted, they would often remain the same until customers update HMRC of a change in their circumstances relating to the relief. Customers who knew about this were not sure where or how they had heard that this was the case.

4 Views on current approaches by employers

- 4.1 Most employees had a good understanding of the approach taken by their employer to reimbursing expenses incurred through their job role and felt that their employer had a clear policy on what expenses they would or would not pay for. Often employers provided information via guidance sheets, employee intranet or through direct communication with line managers or HR.

Through internal policies, job descriptions, the contract, and ongoing, regular information that comes via email about policies.

Claimed through tax refund agent Male, Travel and Subsistence

We have an expenses policy; I have a card and there is an upper limit. When we brought in company credit cards I was part of the original people to set the guidelines, so it is all very clear to me.

Claimed through P87 PTA form, Male, Travel and Subsistence

- 4.2 However, not all employees were clear on the rules regarding what they could claim for directly from their employers. In some cases, this was due to a lack of communication between the employer and employee, because the organisation's policies were too complicated, or they were difficult for the employee to find. For example, in one instance the employee noted that all HR was outsourced by their employer and so they struggled to find out this sort of information.

I don't know what I can claim back and what I can't... information I have is mainly hearsay... everything is governed by protocols and policies and procedures.

Claimed through SA return, Female, Professional Fees and Subscriptions

I think it should be clearer – there should be a lot more clarity from the employer – a clear document on the intranet.

Claimed through P87 PTA form, Female, Travel and Subsistence

- 4.3 It was unusual for employers not to pay or reimburse any expenses at all. Most employers were willing to pay for a range of expenses which varied depending on the nature of their employees' roles. For example, air fares and train tickets were paid for by some employers when employees had to travel for work, as were uniforms and other travel and subsistence costs.
- 4.4 Most employees were content with the approach their employer took to cover their expenses, regardless of the proportion of expenses covered. They understood that it was important to maintain a balance between the financial situation of the company and ensuring that employees were not left out of pocket.
- 4.5 Employees who had little or none of their expenses covered by their employer tended to understand this approach; generally, they worked in the public sector, voluntary sector or for smaller businesses and understood the budgetary restrictions their employers faced.

If I was working in the private sector, for [...] some big bank or something, which some of my supervisees are now doing that. I think I would advise them to ask for all of these things, and they might get [some reimbursed], but not the little charity that I'm working for.

Claimed through SA return, Female, Professional Fees and Subscriptions

I suspect like many employers they don't wish to spend any more money than they need to.

Claimed though SA return, Female, Travel and Subsistence

- 4.6 However, a few employees were not happy with what their employer reimbursed. Some healthcare professionals said that their work-related costs should be paid for by their employer; at present these were sometimes significant costs which they were expected to pay out of their salaries. However, these employees did note that they believed that their employer would struggle to cover these costs.
- 4.7 In contrast, some employees in the healthcare profession felt that paying their own professional fees added a layer of regulation that was necessary. They saw this as ensuring that fairness was maintained for professionals and patients, as the membership bodies would remain impartial and independent from employers.
- 4.8 One individual noted that their employer no longer paid for most expenses, including quite large expenses such as air fares; this was a change in policy the company made as it had begun to struggle financially. They were unhappy with this change in policy and felt that their employer should cover their expenses. They were still able to put in a claim for their expenses to their employer but noted that although some of these would be reimbursed, most would not be. In the past, all expenses would have been covered.
- 4.9 Overall, while there was some variation in employees' views on what their employer should cover, most employees had a reasonable understanding of their employer's policies and commonly felt that the amount the employer covered was fair.

5 Understanding customers' claim journeys

Overall experience of claiming tax relief

5.1 Customers were generally positive about their overall experience of claiming tax relief on employee expenses. It was common for the process to be described as “straightforward”, “simple” and “easy”. The P87 form and the P87 PTA form were felt to be relatively straightforward to understand and complete. A few of these customers were even surprised by how simple the process was.

It seemed like a pretty easy process, to be honest. I was pleasantly surprised.

Claimed through P87 PTA form, Female, Professional Fees and Subscriptions

5.2 SA customers equally noted that the process was simple for them as they only needed to fill in “one box” to claim tax relief on non-reimbursed employee expenses.

It is very simple. For me I don't put very much into it... straightforward and quick

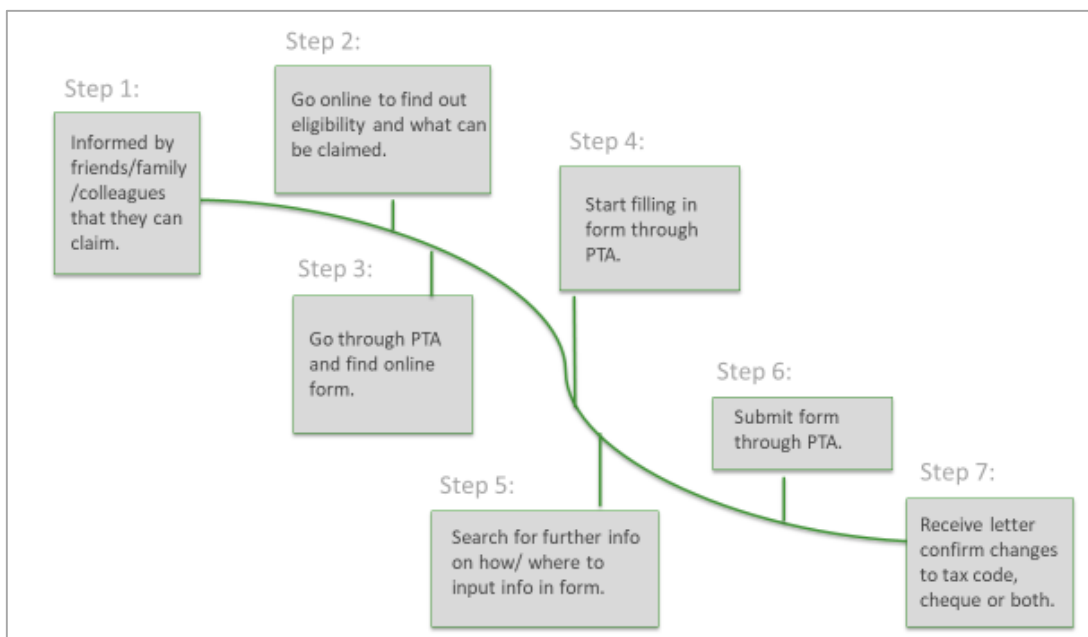
Claimed through SA return, Male, Professional Fees and Subscriptions

5.3 That said, some customers did struggle with the process, but the consensus for most was that the claims process generally worked for them and they only had a few improvements to suggest.

P87 form submitted via the PTA journey

5.4 A typical P87 PTA form journey is outlined below in figure 5.1. Each step of the journey is discussed in turn and then the difficulties experienced at certain points in the journey are summarised within this section.

Figure 5.1 Typical customer journey through P87 form submitted via the PTA



Step 1 – Informed by friends, family or colleagues

- 5.5 The first step on the journey for customers was becoming aware that the tax relief claims process for non-reimbursed employee expenses exists. As previously discussed, they frequently became aware of the claim process by word-of-mouth. This was through friends, family and colleagues and on rare occasions this was mentioned by employers.

Step 2 – Going online to find out eligibility and what can be claimed

- 5.6 After hearing about the claims process and their possible eligibility, customers tended to go online to find out more information and check they were eligible. Customers either went straight to GOV.UK or searched for information via a search engine, most commonly Google. The search engines often directed customers to information on GOV.UK. While some customers had already completed the form before, on their second journey through the process a few customers still went online to check their eligibility, as they suspected that this could have changed since they last completed a claim.

Step 3 – Go through PTA and find form

- 5.7 Once they had confirmed they were eligible or still eligible, they then searched for the form that they should complete. They either set up the PTA account or they logged into their PTA that had been set-up previously. Those that already had an account did not always seem to recall why they had it or when they originally set up the account. They logged into their account to search for the form because they assumed it would be on there, as it was tax related.

I'd obviously registered for some reason, but no, I can't remember why I'd actually used [the PTA] before.

Claimed though P87 PTA form, Female, FRE

Step 4 – Start filling in the form

- 5.8 Once the form had been found within the PTA, customers started to move through and complete the form. Most were completing for expenses in the current tax year, but there were a few customers back-dating claims for previous tax years.

Step 5 – Search for further information

- 5.9 Mid-way through completing the form, some customers would look for further information on where to input certain expenses in the form or to check they were inputting the right information into the form.

Step 6 – Submit form

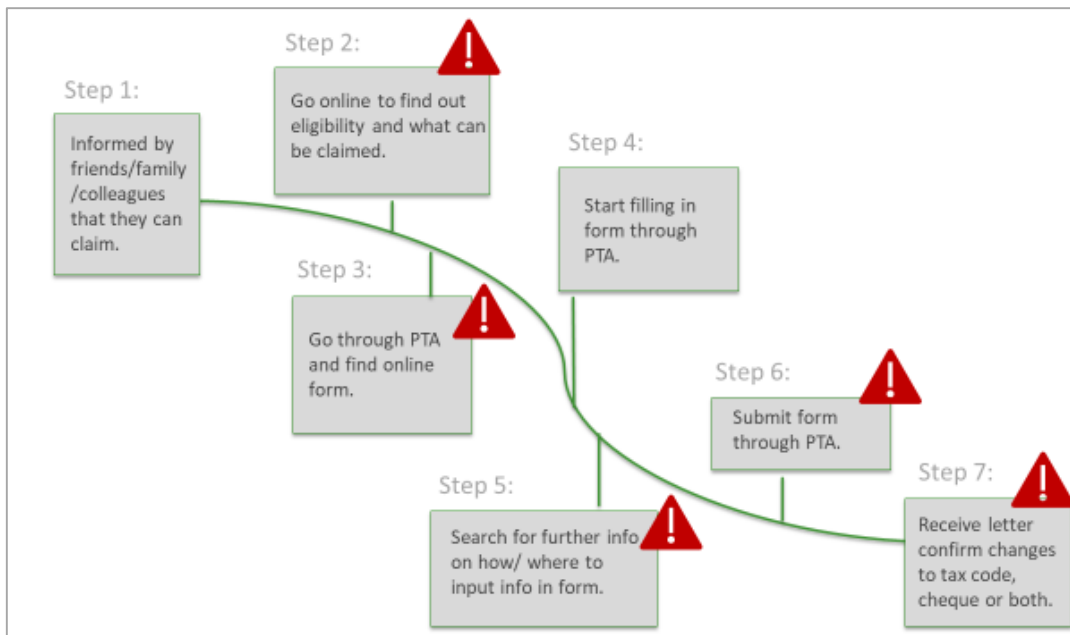
- 5.10 Once they were happy with the way they had input the information into the form, they submitted it through their PTA.

Step 7 – Receive letter confirming changes

- 5.11 After completing the P87 form through the PTA, customers reported receiving a letter confirming a change to their tax code or a letter that included a cheque. There were also some instances where customers appeared to receive both letters.

Difficulties experienced during the P87 submitted via the PTA journey

Figure 5.2 Pinch points in the P87 form submitted via the PTA journey



Step 2 – Going online to find out eligibility and what can be claimed

5.12 Some customers experienced difficulties at step 2 of their journey – i.e. when customers were searching for the eligibility criteria for claiming tax relief on expenses not reimbursed by their employer. Most of the information was felt to be straightforward and clear, however, it was felt at times that the guidance was not written in plain English. The use of 'jargon' was noted and it would have helped customers to gain greater clarity over what they could and could not claim, if the guidance was written in a simpler form. In particular, there was evidence to suggest that confusion arose around FREs and mileage claims (MAR).

Step 3 - Go through PTA and find form

5.13 The key difficulty experienced at step 3, was locating the form through the PTA. Customers did not mention issues with the login process or setting up a PTA. They seemed to login to or create the account easily, but it was once they accessed the PTA that issues arose. Customers noted that they had to go through a number of links or pages to reach the correct form. Once they had found the form, they were often unsure of whether it was the correct form. It was felt that the form needed to be more clearly sign posted and labelled. One customer said that the form was so tricky to find, that he felt HMRC were intentionally 'hiding' it so fewer customers would claim back tax relief on non-reimbursed employee expenses.

It wasn't long and tedious form to fill out – I spent more time finding it rather than filling it out...it was as though they were hiding it from you.

Claimed through P87 PTA form, Male, Professional Fees and Subscriptions

5.14 There was also little awareness of the name 'Personal Tax Account'. Customers tended to describe the process as 'online' or through the 'Government Gateway'. Even when prompted they did not seem to recognise the name of the account.

Step 5 – Search for further information

5.15 A few issues were experienced at step 5 of the P87 PTA form journey. Some customers felt that the form could be improved and made clear with more sign posting and the inclusion of pop up information boxes. A few that had completed the paper form previously noted that although the P87 PTA form felt shorter and quicker, it was less clear than the paper form they had completed in the past. It is important to note here that the form was perceived to be shorter and quicker by participants, but the length of the form is the same as the paper version. It was felt that including pop boxes with information in the form would be helpful and would help to clarify uncertainty when moving through the form. Providing examples of expenses, when terms such as 'FRE' are being used, would help to ensure that customers are clear on whether they have filled out the form correctly.

Either some self-help notes, even if you get a pop-up at the side of the form just to advise, 'This is the box to tick,' for the relevant thing, or just some notes beforehand just to guide you. To pinpoint exactly what you're actually claiming for.

Claimed through P87 PTA form, Female, FRE

5.16 Other customers also noted that some of the organisational drop-down lists did not appear as they would expect, which led to them not being able to initially find the organisation that they wanted to list under professional fees.

5.17 Customers who were making backdated claims through the PTA felt that this process could have been made clearer and easier. One customer suggested that the form would go back and forth through different years of expenses, which she found confusing, as it made it difficult for her to keep track of which year she should be providing information on. The customer suggested that it would be helpful if the form went through the current year first and then auto filled for the backdated claims. It would have been easier for her to complete this way, as she could have just adjusted the figures where needed.

No, it's surprisingly difficult actually, I think again because some of it wasn't that current... I was doing a bit of a batch, it just was really easy to get confused and put things in the wrong box because you're, kind of, in and out of the different years.

Claimed through P87 PTA form, Female, Professional Fees

Step 6 – Submit form

5.18 Although the submission process at step 6 worked well, an additional confirmation process at the end of the form would have reassured customers. A tailored confirmation message at the end of the PTA, would have helped to ensure that customers were clear that they had submitted the right claim and used the correct form. A few customers, were not confident that they had completed the form correctly.

I do think it's confirmation at the end before you submit. Don't get me wrong, I appreciate the fact that it looks like the whole thing's been simplified and that can only be a good thing, but I think it's just a matter of just a little bit of confirmation that everything that I have just entered here is correct, I am claiming for the right thing and that would just give me that confidence.

Claimed through P87 PTA form, Female, FRE

Step 7 – Receive letter confirming changes

5.19 Based on customer recall, step 7 did not always occur, as some customers claimed not to have received anything after completing their claim. However, customers that did receive a letter felt that it could have been more clearly worded. This was especially true of letters explaining tax code adjustments. These letters were not felt to be written in plain English. The formatting and use of tax terminology seemed to confuse rather than clarify the outcome of the claim. Some customers even seemed unclear as to whether the letter was related to their claim or another tax issue.

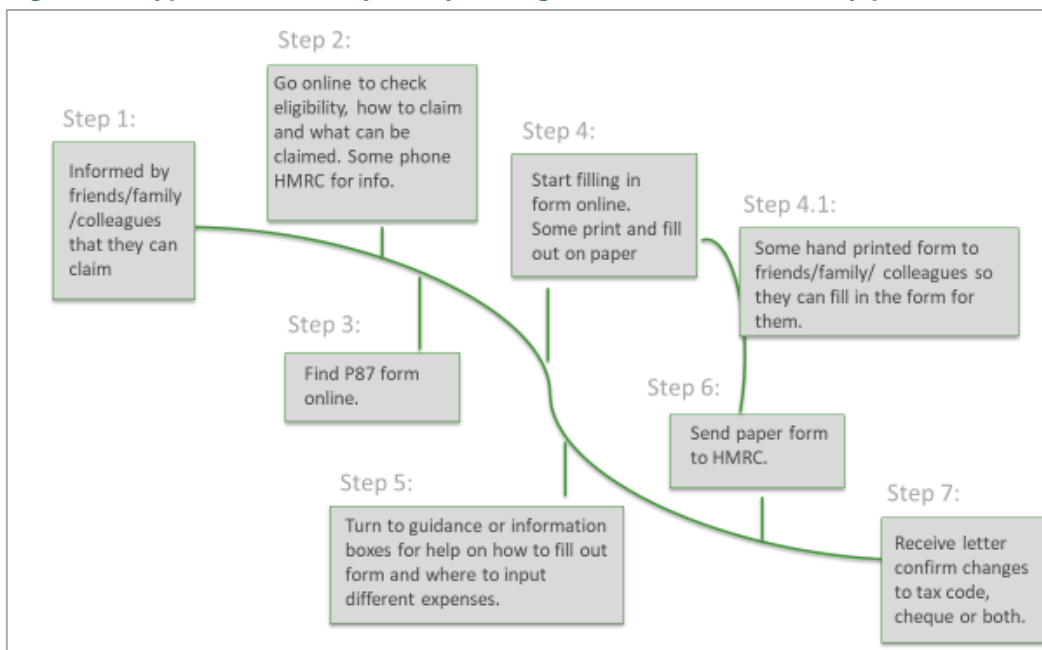
5.20 To provide additional insight into the experiences of customers who submitted a P87 via the PTA, two case studies are included in [Annex A](#) which highlight particular issues that these customers experienced and their views and responses.

P87 form submitted by post journey

5.21 While the P87 form can be completed and submitted online through the PTA, it can also be accessed online through GOV.UK and printed off to be sent back to HMRC in the post. Accessing the P87 form in this way provides the opportunity for customers to complete the form manually or on their computer before printing and sending a paper copy to HMRC.

5.22 A typical P87 form journey is outlined in figure 5.3. The individual steps in the journey are discussed in detail before exploring where some of the pinch points in the journey arose.

Figure 5.3 Typical customer journey through P87 form submitted by post



Step 1 – Informed by friends, family or colleagues

5.23 Like the P87 PTA form journey, word-of-mouth through friends, family and colleagues was the most common way in which customers became aware of the process. Some customers had also been informed by employers that they could possibly claim back tax relief on non-reimbursed expenses through HMRC.

Step 2– Go online to check eligibility and how to claim

5.24 P87 form customers went online to search for further information around eligibility, expenses that could be claimed and how they could claim. They tended to either go to a search engine, typically Google or head straight to GOV.UK to find this information.

Step 3 – Find the form online

5.25 During customers' searches for information on the claims process they often found the P87 form online (not through the PTA). There were also some examples of customers specifically searching for either 'P87' or 'P87 form' through Google, as their friends or family had mentioned the name of the form.

Step 4 – Start filling in form

5.26 Once customers had found the form they tended to start filling the claim out online. However, there were some that decided to print out the form and complete it fully on paper.

Step 4.1 – Form handed to friends, family or colleagues to fill in

5.27 Once some of the customers had found the form, they decided to print it out and provide it to a family member, friend or colleague to complete on their behalf or requested that they help them complete the form.

Step 5 – Turn to guidance or information boxes in the form

5.28 If customers had queries on where to input information they would tend to turn to the pop up/information boxes within the form or click on the links to further information provided in the form.

Step 6 – Send form to HMRC

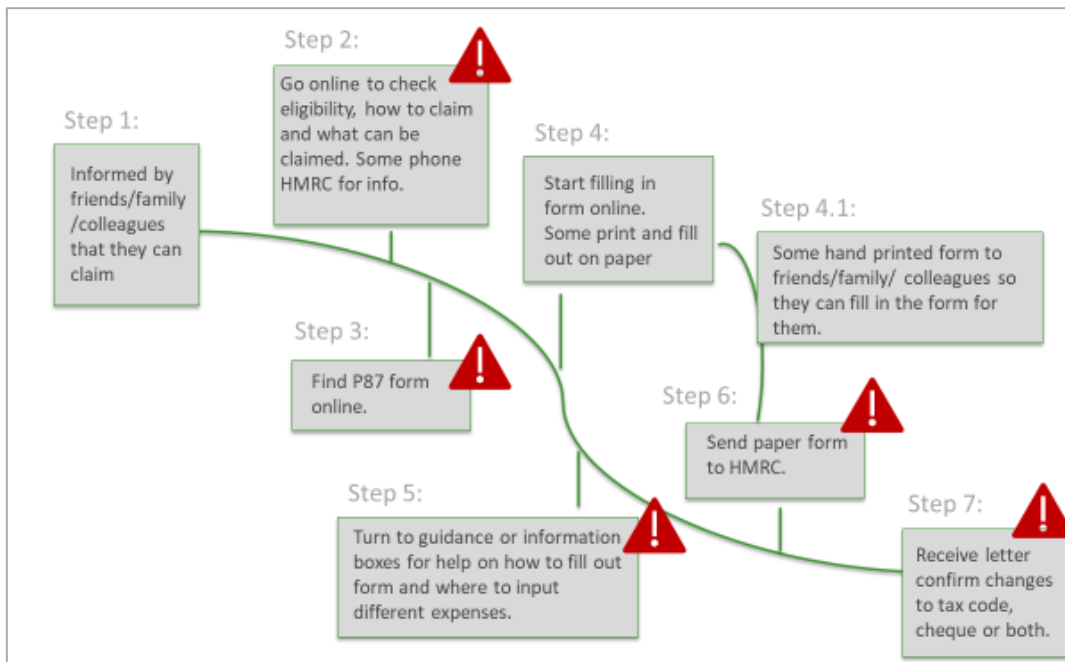
5.29 Customers would print out the form, sign it and send it to HMRC for processing.

Step 7 – Receive letter confirming changes

5.30 P87 form customers commonly received a letter confirming a change to their tax code or a letter that included a cheque, which they assumed was linked with the claim they had recently made. Again, in a few cases customers had received both letters.

Difficulties experienced during the P87 submitted by post journey

Figure 5.5 Pinch points in the P87 form customer journey



Step 2 Go online to check eligibility and how to claim

5.31 As with the P87 PTA form journey, the first issues arose at step 2 of the P87 form journey. Customers were searching for information on what could be claimed, if they were eligible and how they would be able to claim. Most of the information found on GOV.UK was felt to be clear, but some confusion arose around mileage claim calculations and FREs. In addition, a few customers were not sure if they were eligible to claim as their specific profession was not listed within the information. Customers understood that not every single profession could be listed, but this lack of clarity did cause some concern in a few cases.

5.32 There were also some instances of customers calling HMRC for advice as they felt unsure about their understanding of the information and guidance they had read through. These individuals tended to be less financially savvy and appeared to be more anxious about getting the process wrong. There was evidence to suggest that even when they had spoken to HMRC, they did not feel confident that they had been given the right information - in many cases, they had spoken to several people but still did not feel that they clearly understood what they could claim for.

You ring HMRC for guidance, you don't get it because it's always somebody new and I don't really think they know what they are talking about.

Claimed through P87 form, Female, Travel and Subsistence

Step 3 – Find the form online

5.33 Most customers did not seem to have any issues at step 3 of the journey as they were able to find the P87 form on GOV.UK, without too much difficulty. However, a few did experience some issues and felt that the form could be more clearly sign posted. In addition, many of the

customers assumed that the claims process would be fully online when they started completing the P87 form as the form could be filled in online.

Step 5 - Turn to guidance or information boxes in the form

5.34 Most customers did not experience issues at step 5, as they felt the information boxes and guidance links in the form were helpful and led them to the information they needed. However, there were some cases where it was felt that the information could have been made a bit clearer. FREs came up again as a phrase that customers were not clear on and, when it was mentioned in the form, it caused some confusion. It was also felt by some that the wording of the guidance could be simpler and clearer. The term 'jargon' was used again to describe the general issues with the language used in guidance and information on claiming.

Step 6 - Send form to HMRC

5.35 As previously noted at step 3, customers wanted to know earlier in the process that they would be unable to submit the form online. Customers were frequently surprised when they reached the end of the form and they were told to print it out, sign it and send it to HMRC. Most of these customers would have preferred to complete and submit the claim online. However, not only were they not told in advance that they would need to print off and post the form to HMRC, but they were also not made aware that an online option was available through the PTA.

Step 7 - Receive letter confirming changes

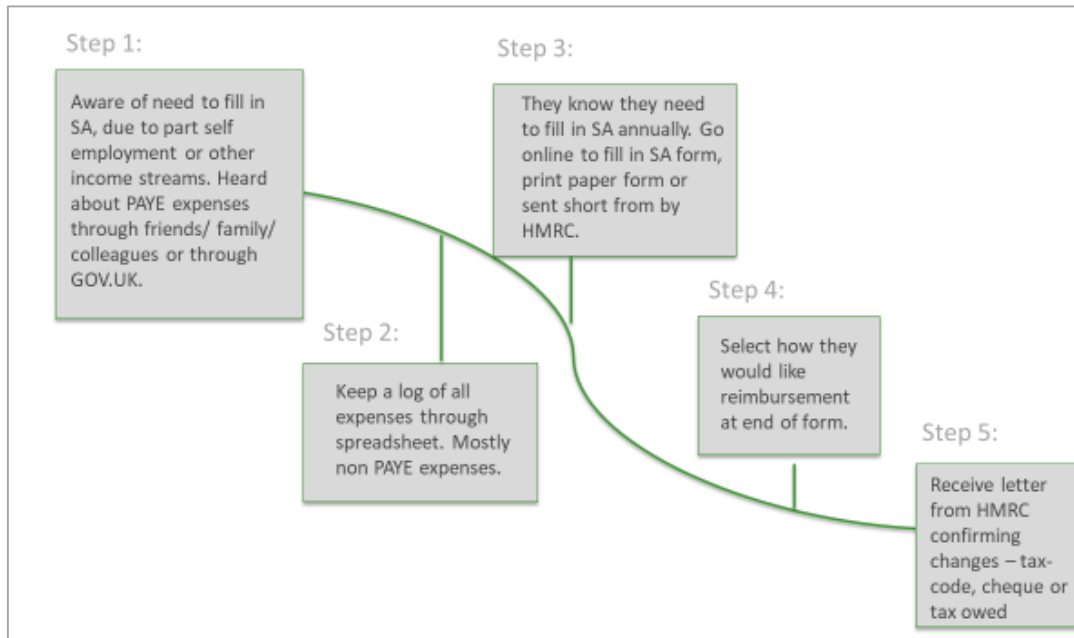
5.36 The customers who had received letters felt that they could have been clearer and written in a more user-friendly way. Again, the language used seemed to be the key issue, as it seemed to confuse rather than clarify the result of the claim.

5.37 To provide additional insight into the experiences of customers who submitted a P87 form by post, a case study has been included in [Annex A](#).

Self-Assessment claim journey

5.38 A typical SA claim journey is outlined in figure 5.5. The individual steps in the journey are discussed in detail before exploring where some of the pinch points in the journey arose.

Figure 5.6 Typical customer journey through SA return



Step 1 – Need to fill in SA return yearly

5.39 SA customers were generally completing an SA return every year, as they were either undertaking some self-employed work or had other income streams that they needed to inform HMRC about. As with the P87 customers, the SA customers tended to also hear about the ability to claim for non-reimbursed employee expenses through word-of-mouth from friend, family, colleagues or employers. A few also came across this information on GOV.UK when they were searching for information on their SA return.

No, I've always done the form and the form has a section where you put in any expenses you're claiming.

Claimed through SA return, Male, MAR

Step 2 – Keep a log of expenses through excel spreadsheet

5.40 Step 2 of their journey commonly involved keeping a log of all their expenses. They either kept this logged constantly throughout the year or kept all their receipts and logged them in a spreadsheet at the end of the year, before completing their SA return. Typically, they were maintaining a similar log of other items needed for their SA return.

Yes. I do my own spreadsheet which calculates what I expect. I do that as I'm completing the tax return and I usually get within a pound, this time I got to the penny.

Claimed through SA return, Male, Professional Fees and Subscriptions

Step 3 – Go online to fill in form or access paper SA return

5.41 The next step for SA customers was to go online to complete their SA return or find the SA return to print so they could complete the return on paper. Customers reiterated that only one small part of the form related to non-reimbursed employer expenses.

Yes, so that's only one box. That's one box you have to fill out. It asks for a number, and there's a little helpful thing if you're not quite sure what to put in that box. I mean, I think it's fairly straightforward.

Claimed through SA return, Male, Professional Fees

Step 4 – Select how they would like reimbursement

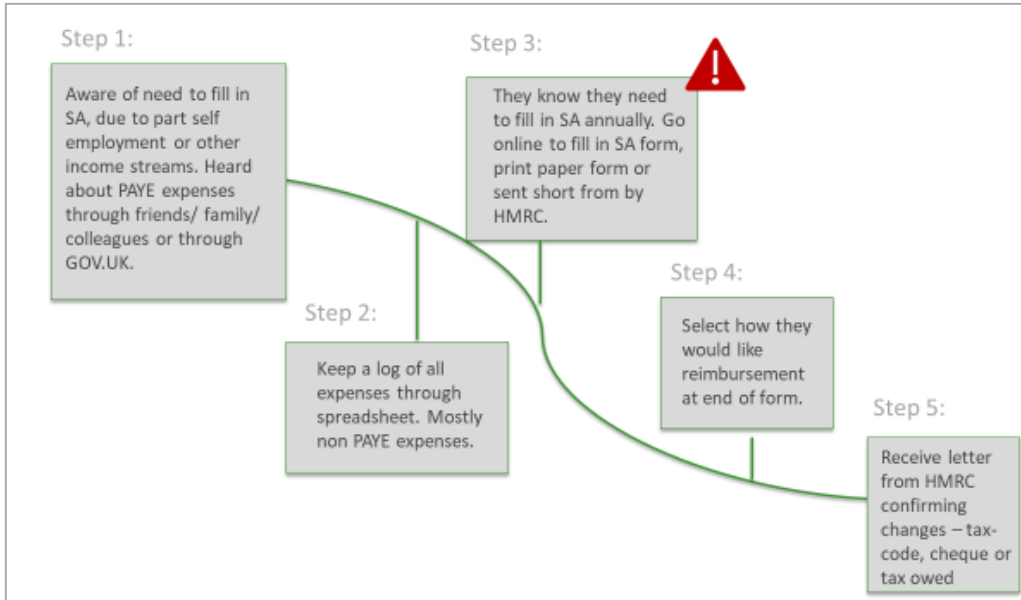
5.42 Step 4 was to confirm at the end of the form how they would prefer to be reimbursed. This was frequently mentioned by SA customers. By contrast, P87 customers were usually unaware that they could select how to be reimbursed.

Step 5 – Receive letter from HMRC confirming changes

5.43 The final stage of their journey was receiving a letter or confirmation on whether they are being reimbursed or currently owe tax.

Difficulties experienced during the SA journey

Figure 5.7 Pinch points in the SA customer journey



Step 3 – Go online to fill in form or access paper SA return

5.44 SA customers only experienced issues at step 3 of the journey when they were completing the SA return. However, most of these issues related to their expenses through self-employment, not employment-related expenses. Self-employment related issues were outside the scope of this research study.

5.45 The expense that caused the greatest number of issues was mileage. A key point of confusion arose if the employer reimbursed something towards their costs as this would have meant

having to work out the difference between the approved mileage payment amount and what the employer reimbursed. A few customers suggested a mileage app or calculator could help to resolve this issue relatively easily and it would help them to gain peace of mind that they had calculated this correctly.

- 5.46 To provide additional insight into the experiences of customers who submitted a SA claim, two case studies are included in [Annex A](#).

6 Use of Tax Refund Agents

- 6.1 Six customers who participated in the research used tax refund agents to claim their expenses. The number of interviews with customers using agents was capped at six - given their direct experience of the claims process is, by definition, limited.
- 6.2 These customers found out about the possibility of claiming via tax refund agents in a number of ways, including:
- Through colleagues: one individual working in health and social care found out that they could claim for laundering their uniform through a colleague who already did so via an agent. This same individual then also found out from her husband that she could claim for mileage, clothing and shoes;
 - Through employers: one employer put a notice on the staff noticeboard in the workplace and even included the tax refund agent forms with the employees' wage slips. Another customer had previously sought work through an employment agency who made them aware that they could make a claim;
 - Through television advertising; and
 - Through social media advertising: one individual's friend had tagged them in a post the agency they used had put on Facebook.
- 6.3 The methods of discovery show that customers had not decided to make a claim and then sought the help of an agent, but rather that they had heard about possibility of using a tax refund agent to make a claim on the back of discussions with colleagues and employers. This was not necessarily the first time these customers had made a claim, but even amongst those who had previously made claims there was a relatively low level of understanding of the process, with some being unsure about whether they had previously made a claim or not.

Well, all they said was, "Fill the form in where applicable", like for the uniforms, the cost of how much this, that and the other was, like with the washing, and then they said that they'd do everything else and then, like I say, they did.

Claimed using tax refund agent, Female, FRE

- 6.4 Customers using tax refund agents had a less robust understanding of the claims process and found the 'jargon' in the guidance from HMRC somewhat confusing. They had little or no direct communication with HMRC, as they usually found out about the claims process using tax refund agents through a friend, colleague or family member. Most of these individuals could be considered less financially 'savvy' than other types of customer, with some noting that they didn't feel confident in their technical abilities and computer literacy.

Not everybody's computer literate. So, in the old days, you used to just phone them up. You had more staff in the offices, for a start, to pick up these phones... [...] I like to sit and read what I'm paying, and I want to sit and read what I'm receiving. All information, I like to sit and read it.

Claimed using tax refund agent, Male, FRE

- 6.5 There was a lack of awareness about making a direct claim. When asked about this, some customers said that they would prefer to be able to claim directly through HMRC in a simple way but did not know that it was a possibility.

No, I haven't seen that option on any of the websites I've been on, personally, and neither has my partner, otherwise that would be what I'd do.

Claimed using tax refund agent, Female, FRE

- 6.6 However, some customers did have an awareness that they could claim directly through HMRC and experience of doing so previously. Previous claims tended to be for different expenses, for example one customer had claimed their mileage expenses directly through HMRC in the past, but only discovered that they could claim for uniform laundering expenses more recently through their employer who gave them the forms to claim via an agent.

- 6.7 These customers sometimes said that they were not comfortable or confident using computers and therefore struggled to find out more information on the HMRC website.

Yes, I've tried that as well [using the HMRC website] and, like I say, it gives you a process of what to do, and then you're doing it, then something goes wrong and it goes off again.

Claimed using tax refund agent, Female, FRE

Experience of making the claim

- 6.8 All the customers interviewed who had used agents made relatively small claims for things such as laundering uniforms, purchasing uniforms or shoes needed for work, travelling to visit patients on home visits, other travel fares and registration for professional organisations.

- 6.9 Some of these customers were disappointed with the process of claiming via an agent, usually because they did not get as much money back as they expected. This was for two main reasons:

- Some customers, particularly those claiming for FREs, did not realise that they would receive tax relief on the stated flat rate, as opposed to a full reimbursement; and
- Some customers were unaware that the tax refund agent charged fees, or what their rate would be, and therefore felt that the time, effort and fees paid outweighed any relief that they did receive.

- 6.10 Customers who were surprised by the agent fees expressed their frustration as they did not feel that they were made aware of the fees before they began the claims process.

Actually, there was no mention of cost at all, until I received a letter with the details of how it was... In my opinion and from my experience, it's a very difficult process if you try and do it yourself and then, if you use somebody else to do it, like I said, you pay out what you claim.

Claimed using tax refund agent, Male, FRE

Thinking about it afterwards, if I had known it was an agent and that I would have to pay some money, I probably would have looked into it further and done it myself, but at the time, from the way they said it, it's like 'claim it and get all your money back'.

Claimed using tax refund agent, Female, Other Expenses

6.11 As most of the claims process was completed by the tax refund agent, these individuals were unable to give a detailed description of the claims process.

6.12 Some had to fill in forms sent to them by the agent; they described this process as very straightforward and they had no issues with the process, their concern was the lack of information the agent provided them with regarding fees.

[It was] pretty straightforward; it was just a box at the bottom where I had to state the dates from which I wanted to claim the laundering for, sign and date it and send it off...

Claimed using tax refund agent, Female, FRE

6.13 In one case, the customer was not initially aware that they were claiming through a tax refund agent and thought that they were claiming directly through HMRC. This customer was disappointed as they said that they did not realise they would have to pay a fee.

It should have been clearly stated on the form that it was an agent. We weren't aware of the fact until we had started the ball rolling. If they had said that, it might have stopped a lot of people from going that way.

Claimed using tax refund agent, Female, FRE

6.14 However, in two cases the forms for the agent were not completed by the customers themselves, but by an employer and by a friend respectively at the request of the customer. In these cases, the customers were further removed from the claims process and consequently had very little understanding of it. Both customers were content with the outcome after receiving cheques in the post.

6.15 Looking back on the overall journey, customers who had used a tax refund agent were mixed in their feelings about claiming in this way – and although some customers felt that the process had been successful, others did not receive the amount they expected or still found the process quite time consuming or confusing. Most were not clear on the process of claiming tax relief, or on the outcomes, including tax code adjustment.

It's just all the writing or finding out information. Re-tracking your evidence is what gets you down.

Claimed using tax refund agent, Female, Other expenses

6.16 Some of these customers were planning to make a claim again and would consider making a claim directly through HMRC if they had more information about the process.

6.17 However, other customers were less likely to claim again at all. One customer did not realise they could make a claim again and was therefore unsure whether they would do so. Another said they would be reluctant to make another claim, as they were unhappy with the outcome after receiving a very small payment that they said was due to high agent fees and felt unsure of their own capability to claim directly through HMRC.

No, I wouldn't do it [make a claim] again, not for 72 pence last time.

Claimed using tax refund agent, Male, FRE

I wasn't planning to. I didn't know how many times you could claim for it.

Claimed using tax refund agent, Female, Other Expenses

6.18 To provide additional insight into the experiences of customers who claimed through tax refund agents, a case study based on a customer who used a tax refund agent has been included in [Annex A](#).

7 Self-funded work-related training

- 7.1 At Autumn Budget 2017, the Government announced it would be consulting on extending the tax relief currently available to employees and the self-employed for self-funded work-related training. For example, this is training that an employee might pay for themselves and the cost is not reimbursed by their employer. A consultation document was published on 13 March 2018.⁹
- 7.2 Most customers had undertaken training or learning of some type in the last 12 months. This included a wide range of activities including, regular in-house training for retail workers, Continuing Professional Development (CPD) training for doctors and dentists, advanced cyber security training for accountants, compulsory training for care workers and cyclist awareness training for HGV drivers.
- 7.3 In most cases, employers covered the costs of training, whilst in others the employee had to pay for the training themselves. Generally, amongst those working in healthcare, such as GPs, it was more common for the employee to cover the cost of training. In contrast, in other sectors, it was more common, and even expected, that the employer would cover the cost of any training needed. In both cases, the training undertaken was relevant to the role the employee held.
- 7.4 In two cases, healthcare employees had study budgets provided by their employers which they could draw from to cover the costs of training. This meant that they were able to claim the costs of training back from their employers up to the limit of their study budget. Although the budgets did help, the level of CPD training required of these individuals and the costs of the training meant that the study budgets only covered a proportion of the training costs.

I only get a certain budget a year, so I think it's about [£XXX} a year I can use for these kinds of things. The cost of the course is so much that, basically, I don't bother claiming for the transport because I'd just use up all my allowance.

Claimed through P87 PTA form, Female, Professional Fees and Subscriptions

The culture is, it's your responsibility to do your 50 hours... I think most people will end up paying for some of their CPD just to get the quality, because although you can pick up bits and pieces from other things, it is nice to go and have really good quality, focused on general practice.

Claimed through SA return, Female, Professional Fees and Subscriptions

- 7.5 In contrast, customers in other sectors, for example in Finance and Insurance, were more likely to have their training paid for by their employer. This training was generally considered to be essential for their role and therefore it made commercial sense for the employer to cover the training costs. In one case, the individual was required to make a case to his employers to explain how the training would benefit him and his company professionally, in order to have the costs of training covered.
- 7.6 These employees usually expected their employer to cover the cost of training, and sometimes said they would not have undertaken the training if their employer hadn't been willing to cover the costs. They saw the training as something that was part of what they were entitled to through their employer.

⁹ www.GOV.UK/government/consultations/taxation-of-self-funded-work-related-training

[Training] is expected of us by more senior in the team and it is to do with career development and progression, because if I didn't do it I wouldn't progress and I am keen to.

Claimed through SA return, Male, Professional Fees and Subscriptions

I haven't been to any conferences this year and if I do I pay for it on the company card

Claimed through P87 form, Male, Travel and Subsistence

7.7 Some employers covered in-house training that employees completed during work time; as it was completed within working hours in the workplace, the employer was willing to cover the costs. In these cases, the training was usually compulsory and tended to be for those in less senior positions, for example lorry drivers and care workers who would be legally unable to work without certain training. Similarly, one individual working in manufacturing undertook compulsory training on new machinery, which they would have been unable to work without.

There are no costs to me because I do it in worktime, so I will allocate a morning or afternoon to do that.

Claimed through P87 PTA form, Male, Travel and Subsistence

7.8 In some cases, the employer treated the time spent undertaking training as part of the employee's working hours and therefore paid them their usual hourly rate whilst doing it, even when training was undertaken outside of normal working hours within the employees' own time. These employees counted this as their employer covering the cost of training. Sometimes this training was carried out online in the employee's own time, rather than in the workplace, but the employer paid the employee for at least some of the hours spent completing this training.

We get paid for an hour for doing it [the training] even if it takes longer...

P87 form or Phone, Female, Other

7.9 Interestingly, employees tended to agree with the approach taken by their employers in paying for training whether they paid for it or not. Those employees whose employers did not cover the costs tended to be working in the public or voluntary sectors; these employees felt that their employers were unable to cover the costs of training and therefore did not expect them to.

7.10 Conversely, in the private sector, employees expected their employers to cover the costs of training and felt that it made commercial sense for them to do so.

I researched the type of training needed to enter a certain market, I put a business proposal together and asked the business to fund it, they agreed.

Claimed through P87 PTA form, Male, Travel and Subsistence

8 Reactions to new ways of administering the process

- 8.1 A primary objective of the research was to understand if there are any areas of the system that employees would like HMRC to make changes to. This involved collecting unprompted feedback from customers on how they felt the system could be improved and customers' reactions to the two concepts are summarised in the sections below.

Concept 1: HMRC makes changes to tax codes automatically

At the moment, if your tax code is adjusted, the resulting change will continue to be applied to subsequent years unless you tell HMRC otherwise. However, it's possible that HMRC could make this change for you, if it became obvious that the expenses tax relief was no longer applicable. For example, on your retirement.

- 8.2 It is important to note that the first half of this concept is currently how the system works. If a P87 customer submits a claim one year the resulting change will often continue to be applied each year until they inform HMRC that their circumstances have changed.
- 8.3 Among customers filing SA returns, this was often not perceived to be relevant to them, given the fact they update HMRC yearly and were relatively familiar with the process for settling any tax liability/being reimbursed for any tax owed.
- 8.4 P87 customers did not always fully understand that tax codes remained adjusted once a claim had been submitted for non-reimbursed expenses relief, and often customers' initial reactions to Concept 1 were to assume this was already the case.

I would have to say that I assumed they would do that according to the data they hold – the tax code is in their gift so it is up to them to change it as and when they want to.

Claimed through SA return, Male, Travel & Subsistence

- 8.5 Given these assumptions, most customers were generally positive about the concept, with many stating it would be a sensible approach for HMRC to adjust codes automatically, and some citing it would help reduce the administrative burden on them (i.e. they would not need to complete the form unnecessarily).

I'd assume HMRC would inform me that it had changed – I genuinely didn't know this was not the case. It would save the hassle which would be good...saves you having to chase it yourself. It would save time as they'd have all the information.

Claimed through P87 PTA form, Male, Equipment

- 8.6 Further, one customer who was considering early retirement saw how it could be advantageous to their situation and avoid a potential tax liability:

I'm okay with that [the concept]. I'm thinking of taking early retirement am concerned that HMRC would be unaware and continue to pay the tax relief and then claw it back at a later date.

Claimed through P87 PTA form, Male, Travel & Subsistence

8.7 That said, several customers had reservations and raised concerns over the proposed concept. These mainly related to worries that mistakes could be made by HMRC in making assumptions and applying these automatically. Their prevailing concerns were that they would end up “out of pocket” or be liable/seen to be at fault for any mistakes that occur through automatic changes to their tax codes.

8.8 There was an appetite for further clarity over how the process would work and how HMRC could be certain that changes need to be made. Customers were also clear that they would expect to be notified (usually in writing) of any assumptions being made by HMRC.

"They should let you know the reason why changes are made. It is my livelihood and it's about being open and transparent..."

Claimed through P87 form, Male, Professional Fees & Subscriptions

Concept 2: HMRC requests customers renew tax relief claims every year

Another possible change that HMRC could put in place is to request that customers submit expenses tax relief claims every year. Rather than assume expenses are the same unless you tell HMRC otherwise.

8.9 Customer reactions to this concept were broadly positive. Most customers submitting their claims through a P87 had assumed they had to submit it every year anyway and therefore didn't see this as 'new' process as such.

8.10 When it became evident through the interview that this was not necessarily the case, most customers were still positive towards the concept, with some pointing out it could cut fraudulent claims and ensure HMRC only pays relief when it is rightly due.

It's a good thing. It may be that in one year you have done X amount of mileage and then next year you might not have done as much; you can't expect to have the same tax relief.

Claimed through P87 form, Male, Professional Fees & Subscriptions

8.11 There were also several customers who had claimed using the P87 who were keen to point out they expect to submit claims on an annual basis because the expenses they claim are likely to change between years.

I would always want to do it on an annual basis while employed, as the detail does change.

Claimed through P87 form, Male, Other expenses

I don't have the same expenses every year because my requirements for travel changes ... this system works for updating them.

Claimed through P87 form, Male, Travel & Subsistence

8.12 While most customers were positive about the potential concept, a couple raised concerns that in some occupations very little would ever change (these were customers who had a better understanding of the current system).

I think it depends on what job role you're doing. I think for [me] it would just be another pointless exercise really, because nothing changes.

Claimed through P87 PTA form, Female, Other expenses

8.13 During one of the mini-group discussions, customers also raised the possibility of HMRC introducing a confirmation stage to the process whereby previous claimants are invited to simply confirm (possibly through the PTA) whether their circumstances are still the same or not.

8.14 Customers who had claimed through an SA return, were broadly positive about the idea of being required to submit an expense claim every year. It seemed to be more aligned to the SA process that they were used to, which involves submitting their SA return every year.

I quite like doing that paper thing [yearly] because it is a staging point once a year ... I wouldn't have a problem it is quite a good idea to keep tabs on people.

Claimed through SA return, Male, Professional Fees & Subscriptions

9 Conclusions

- 9.1 Customers commonly became aware of tax relief on non-reimbursed expenses via word-of-mouth, typically, through informal conversations about their personal finances or employment expenses with friends, family or work colleagues.
- 9.2 Customers claiming through an SA return tended to have the highest levels of awareness of what could and could not be claimed, reflecting a generally higher engagement with and understanding of their tax affairs more widely. P87 customers tended to be generally less knowledgeable than SA customers and those that had used a tax refund agent were the least aware of what could and could not be claimed.
- 9.3 There was also varied understanding amongst customers on what claiming, 'tax relief' meant in terms of the reimbursement they would receive. At one end of the spectrum, those already filling in a SA return annually tended to have the highest levels of understanding and were clear that they would only receive a percentage of the value of the expense back, which would be based on their rate of income tax. At the other end, P87 customers claiming FREs often assumed they would receive the full value stated on the GOV.UK website and were therefore disappointed when this did not take place.
- 9.4 Overall, customers were generally positive about their experience of claiming tax relief on non-reimbursed employee expenses. However, they did suggest some possible improvements to the process:
- Clearer guidance around eligibility and the types of non-reimbursed expenses that it's possible to claim tax relief on.
 - The guidance on FREs and Mileage Allowance reliefs could be improved as it was frequently cited as unclear.
 - Clearer signposting to the PTA, especially at the start of the P87 form, so customers know they can complete and submit online. This recommendation was implemented by HMRC during the period of the research.
 - Increased information and pop-up boxes within the P87 PTA form (similar to the other P87 form).
 - Clearer information upfront on how the reimbursement process works and is calculated to help to manage customer expectations and ensure they understand they will not receive a full reimbursement.
 - A clearer confirmation letter so customers understand the outcome of their claim.
- 9.5 Most customers were generally positive about the two concepts they were asked about. The first referred to the idea that HMRC could automatically update a customer's tax code if they could tell a change in circumstances had taken place, for example, on the customer's retirement. This was felt to be a logical process by customers, as it would remove the administrative burden on them of having to submit a form to tell HMRC about their change in circumstances.

- 9.6 However, it is important to note that a few customers did have some reservations. These tended to revolve around wrong assumptions being made by HMRC and then tax codes being adjusted in error.
- 9.7 P87 customers were also broadly positive about the second concept, which involved requiring customers to always submit a claim each year - which was mostly due to them assuming that they had to do this anyway. It is worth considering however, that the majority of P87 customers spoken to during the research were selected because they were fairly new to claiming non-reimbursed employee expenses. The more recent nature of their claims could potentially lead them to hold a different view to customers who have been claiming exactly the same type of expenses for a number of years. Please note, this is a speculative view and conclusions on this cannot be drawn from this research study.
- 9.8 The SA return customers were also positive about this approach, as it was in line with the process they already undertake each year.

10 Annex A – Case studies

10.1 The case studies below have been anonymised - all of the names are fictional and we have only included the industry or sector in which they work in order to preserve anonymity.

P87 form submitted via PTA – case studies

Case Study – P87 PTA form

Linda is 55 years old and works in retail. She first found out about claiming through her husband. Her husband had been claiming the cost of cleaning his uniform for a number of years.

She was not initially sure if she would definitely be eligible to claim for the cleaning of her clothes, so she went online and on to the HMRC website. The information she found indicated that she would be eligible. She found the paper form, printed this off and sent it to HMRC.

However, the next time she completed the form, she did this through the PTA. It took her some time to find the form, and even when she had located it she wasn't 100% confident that it was the right form. She started to complete the form and then went back on the internet to look for more information, to double check she was filling in the right form.

She did not feel she ever found a definitive confirmation, but she continued through the form. She was only claiming for the cleaning her uniform; however, she felt the online form was less clear than the paper form. She equally did not feel confident that she had added the information in the right place in the form.

She continued and submitted the form, but she would have liked some more information before, during and as you submit the form, so she could be confident that she had found the right form and added information in the correct place.

“An idiots guide...Self-help notes, maybe a pop up or notes beforehand, to guide you.”

She would have also liked a confirmation message at the end before submitting that confirmed the type of expense claimed.

Case Study – P87 PTA form

May is 37 years old and has three small children. She currently works part-time as a doctor.

She has various professional memberships, including the General Medical Council, for which she pays £425 per year out of her own pocket. She also covers the cost of her professional indemnity.

In order to stay registered as a doctor, she has to undertake CPD; she has a £500 study budget from her employer, but this only covers a small amount of the course costs.

She discovered she could claim from a colleague; after having children her financial situation became tighter, so she decided to make a claim. She decided to claim for the past three years. More recently she has claimed for two years of expenses.

The first time, she downloaded the P87 form from the GOV.UK website. She printed the evidence and receipts she required. She found the P87 form simple; her husband has to complete a self-assessment return, so they were familiar with the concepts.

More recently, she used the PTA; she said she didn't need to provide evidence; she simply used a drop-down menu of the things she wanted to claim for, such as GMC membership.

She understood that her tax code had been changed as a result, but also received a cheque for £3,000 more recently and thought this was also due to her most recent claim.

“Yes. It was much more straight forward. It was so straight forward I can hardly even remember, but I know I didn't have to print anything out.”

P87 form submitted by post – case study

Case Study – P87 form

Pete is 54 years old and works in the transport sector.

He has various professional memberships one which is paid for by his employer and others that he pays for himself.

He discovered he could claim from his employer. He was complaining to HR about what they would and would not reimburse, so they directed him to HMRC.

He went online and searched for more information. He also specially searched for the P87 form, as his HR colleague and provided the name of the form.

He found the form relatively easy to fill in. He felt it was logical and step-by-step. He felt that a few terms were used that he did not understand and was not clear on – Flat Rate Expense.

He was very confused when he came to the end of the form and it asked him to print out the document and sign it.

He felt that he should also be able to submit the form online, as he had just filled in the entire form online.

Self-Assessment claim – case studies

Case Study – SA return

Louis is a 33-year-old civil servant and is also self-employed for 8-10 hours per week.

All of his costs relating to work are covered by his employer. These costs include use of a work vehicle, overnight stays and subsistence, specialist clothing, equipment and software. He works for a specialist unit, so this is necessary.

He pays for a monthly membership to a professional body (£260 per year).

He is currently completing a university certified professional development course for his role; his employer is paying for this.

He received a letter from the professional body he is a member of explaining that they could claim tax relief on subscriptions and a set amount for laundering uniforms. He then confirmed this information using the HMRC website.

He already used SA to claim for expenses relating to his self-employed work.

He has claimed for non-reimbursed expenses 7-8 times now; by sending a letter, over the phone, and most recently via SA return.

His most recent claim was for £399. He was aware that it would be processed through a change to his tax code. He has had to make repeated claims after noticing his tax code had reverted.

He finds filling in the SA return on the government gateway online very simple. He noted there are plenty of explanatory notes and that he prefers the online process as receives a submission receipt, which reassured him claim had gone through.

"It's been very, very simple. The information we got was simple to follow and now I find it very easy because it is part of my self-assessment return anyway, so it is not a problem."

Case Study - SA Return

Richard is recently retired, but used to work in education.

He had a PA who compiled all of his expenses for him; she would provide him with a month by month record and explain what he needed to put on his tax form.

The finance team at the educational institution explained to him what he could and could not claim for.

His employer would pay for travel and subsistence; however, due to press scrutiny and FOI requests involving his senior position he chose to cover these costs himself.

He only claimed for mileage from HMRC.

He has been completing SA returns since the 1980s, so found it very simple. He sits down with his wife every September to fill out their SA returns together.

He always had everything to hand; his PA and finance department explained clearly to him what information he needed to fill in.

He checks the guidance notes each time he fills out the SA return 'out of habit', but already knows what he needs to do.

He suggested that for individuals who do not have the figures for mileage supplied to them by an employer/PA, it would be useful for a mileage calculator to be available through HMRC.

Aside from this, he does not think anything needs to be changed; he finds the system straightforward and user friendly.

"It is not something I really had to think about much. Here's the box you fill in and here's the number I have been given to fill in that box."

Tax Refund Agent – case study

Case Study – Claimed Using Tax Refund Agent

Jake is 50 years old and has worked in the food services industry for 36 years.

He saw an advert on television for an agent. At first, he thought it might be a scam, so he called the agent.

The agent reassured him that the service was legitimate and told him that he did not need to provide his bank details. He then received a letter from the agent.

His Personal Assistant (who is also his wife) filled in the forms for him, so he was unsure what expenses were included in the claim.

He found the agent very expensive; he received a cheque for 72p from the agent, after they had charged him over £70 for the service. He was not informed of the costs of the agent before making the claim.

In the past, he has found using the HMRC website too complicated, as he struggles to use computers. He has experienced long waiting times when calling HMRC, so did not want to call them.

He was not aware of any other ways to claim, but if he had known he could claim on paper he would have looked into this.

"If it wasn't so difficult to get through to HMRC in the first place, I'd do it all myself [...] I try and ring them and it's just never ending. It costs a fortune. So you just give up."

11 Annex B: Topic Guide - Depths

Section 1 - Introduction – 5 mins	Section description
<p>Aim of the research - HMRC have commissioned IFF Research, an independent research agency, to conduct research to help them better understand customer experiences of claiming tax relief on expenses that have not been reimbursed by employers. This interview will focus on your experience of claiming the relief and how this process could be improved in the future. We are conducting interviews with a range of people who have claimed tax relief.</p> <p>Participation in this research is voluntary and there are no right or wrong answers. The interview will take around 50 minutes but this will depend on how much or little you have to say.</p> <p>MRS Code of Conduct and Confidentiality - IFF Research is an independent market research employer. Please be assured that anything you say during the interview will be treated in the strictest confidence and results will be anonymised so that they cannot be linked back to you.</p> <p>Please can you confirm that you have understood the nature of the research and that you are happy to consent to taking part in the research?</p> <p>I would like to record the conversation. The recording will not be passed back to HMRC but an anonymised transcript of the conversation may be passed back to HMRC. This anonymised transcript will not contain any identifiable personal information. Are you happy for me to record the conversation?</p> <p>Do you have any questions before we begin?</p>	<p><i>This section is an introduction to the research and ensures that we gain informed consent from the participant before we begin the discussion.</i></p>
Section 2 – background and context – 3 mins	Section description
<p>First, I'd like to start off by asking you a few questions about you and your household.</p> <p>Can you tell me a little bit about yourself?</p> <ul style="list-style-type: none"> ▪ Who do you live with? ▪ Do you have children? <p>What type of employer do you work for?</p> <ul style="list-style-type: none"> ▪ PROBE AROUND: <ul style="list-style-type: none"> ○ Type of industry/sector ○ Nature of the work they do ○ Size of their employer ▪ How long have you worked in this industry for? ▪ How do you find working for your employer? 	<p><i>This section is a helpful warm-up to the conversation and helps to provide a little background on the participant before moving on to the main discussion.</i></p>

<ul style="list-style-type: none"> ○ Do you like working for them? ○ What is the environment/culture like? Friendly? Formal? ▪ How long have you worked there? ▪ How many hours a week do you tend to work? ▪ Is all of your work through this employer or do you also work for other employers or have some self-employed work? ▪ How much of your time is spent on self-employed work? 	
Section 3 – Day-to-day job and incurring expenses – 7 mins	Section description
<p>We are now going to move on and talk a little bit more about your job.</p> <p>Could you briefly talk me through what an average day looks like for you?</p> <ul style="list-style-type: none"> ▪ What sort of tasks does it involve? ▪ What do those tasks entail? ▪ Do you tend to work in a team or do you often work on your own? <p>Where do you spend most of your time working?</p> <ul style="list-style-type: none"> ▪ In an office? ▪ At home? ▪ Outside? ▪ Other? <p>Do you ever travel for your job?</p> <ul style="list-style-type: none"> ▪ How regularly would you say you travel for work per month? (Not including normal day-to-day commuting.) ▪ Do you normally travel to the same destination(s) or does that vary? ▪ Where do you regularly travel to? <ul style="list-style-type: none"> ○ Another office owned/rented by your employer? ○ Client offices? ○ Conferences? ○ Other places (if so, what/where?) ▪ How do you travel – Car? Bus? Train? Taxis? Cycle? ▪ Do you ever take any overnight trips? How long do your trip(s) normally last for? ▪ Do you ever travel overseas for work? <p>Who paid for the travel/ overnight stays?</p>	<p><i>This section establishes more detail on the participants job and what it involves. It also helps to isolate the types of expenses they may need to claim.</i></p>

- What do you tend to pay for and what expenses does your employer cover?
- Has your employer always taken this approach or has it changed at all in the last few years?
- If changed: What has changed? Did they previously cover more/less of the cost?
 - Why do you think this has changed?
- How does this approach compare to any previous jobs you have had?
 - The same? Different? How is it different?

Do you have a set tools, materials, specialist clothing, uniform or software that you need for your job?

- Can you talk me through all the tools/ materials/ specialist clothing/uniform/software that you need to undertake your job?
- Anything else?

Who paid for the tools/ materials/ specialist clothing/ software?

- What do you tend to pay for and what does your employer cover?
- Has your employer always taken this approach or has it changed at all in the last few years?
- If changed: What has changed? Did they previously cover more/less of the cost?
 - Why do you think this has changed?
- How does this approach compare to any previous jobs you have had?
 - The same? Different? How is it different?

Do you currently have any annual subscriptions or do you pay fees to professional organisations?

- What subscriptions do you have?
- Why did you decide to sign up to these subscriptions?
 - Are these required to perform your job?
 - Just a nice thing to have?

Who paid for this/these?

- What do you tend to pay for and what does your employer cover?
- If employer pays for these: Would you still have the subscription(s) if your employer stopped covering the cost?
- Has your employer always taken this approach or has it changed at all in the last few years?
- What has changed? Did they previously cover more/less of the cost?

<ul style="list-style-type: none">○ Why do you think this has changed?▪ How does this approach compare to any previous jobs you have had?<ul style="list-style-type: none">○ The same? Different? How is it different? <p>Have you undertaken any training or learning at all recently?</p> <ul style="list-style-type: none">▪ What type of training or learning have you undertaken?▪ Was it for your job or just for you personally?▪ What did it involve?▪ How long was the training or learning?▪ How did this training or learning come about?▪ What difference, if any, has this course made to you?<ul style="list-style-type: none">○ Helped you to perform your current job?○ Helpful for your future career?○ Just something you wanted to do for yourself? <p>IF NOT UNDERTAKEN TRAINING:</p> <p>Can you tell me a little bit about why you have not undertaken any training recently?</p> <ul style="list-style-type: none">▪ PROBE AROUND:<ul style="list-style-type: none">○ Not feeling they need more training○ No training of interest on offer○ Not enough time to take part in training○ Cannot afford additional training <p>Who paid for this training?</p> <ul style="list-style-type: none">▪ What do you tend to pay for and what does your employer cover?▪ How did you finance it?▪ Has your employer always taken this approach or has it changed at all in the last few years?▪ What has changed? Did they used to cover more/less of the cost?<ul style="list-style-type: none">○ Why do you think this has changed?▪ How does this approach compare to any previous jobs you have had?<ul style="list-style-type: none">○ The same? Different? How is it different? <p>Have you got any planned training that hasn't happened yet?</p> <ul style="list-style-type: none">▪ What type of training or learning is it?▪ Will it be for your job or just for you personally?	
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<ul style="list-style-type: none"> ▪ How long will the training or learning be for? ▪ When will it be happening? ▪ Is this something you or your employer will be paying for? <p>We have talked about a number of expenses that you incur through your job. [MODERATOR TO SUMMARISE EXPENSES ALREADY MENTIONED]. Do you incur any other expenses that we have not discussed?</p>	
<p>Section 4 – Understanding of the claims process – 10 mins</p>	<p>Section description</p>
<p>Let's now move on and talk about how you can claim back some expenses that your employer does not cover.</p> <p>Can you remember how you first realised you could claim tax relief for some expenses that were not covered by your employer?</p> <p>Did someone tell you about it? Who – Employer? Friend? Relative? Work colleague?</p> <ul style="list-style-type: none"> ▪ Online – GOV.UK? HMRC website? Another website? ▪ Another way? <p>Can you remember what they told you or what information you found?</p> <ul style="list-style-type: none"> ▪ Anything else? <p>Do you know what expenses it is possible to claim tax relief on?</p> <p>INFORMATION ON PAGE 1 AND 2 ON WHAT CAN AND CANNOT BE CLAIMED FOR YOUR REFERENCE. IMPORTANT TO UNDERSTAND HERE WHAT THEY THINK, NOT WHAT IS THE CORRECT ANSWER.</p> <ul style="list-style-type: none"> ▪ PROBE AROUND: <ul style="list-style-type: none"> ○ Uniforms (including laundry expenses), work clothing and tools ○ Business mileage, fuel and electricity costs ○ Travel and overnight expenses ○ Professional fees and subscriptions ○ Working at home ○ Buying other equipment ○ Training or education <p>And do you know what expenses it is not possible to claim tax relief on?</p> <ul style="list-style-type: none"> ▪ PROBE AROUND: <ul style="list-style-type: none"> ○ Uniforms (including laundry expenses), work clothing and tools 	<p><i>This section explores their understanding of the claims process and how they first heard about being able to make a claim for non-reimbursed expenses.</i></p>

- Business mileage, fuel and electricity costs
- Travel and overnight expenses
- Professional fees and subscriptions
- Working at home
- Buying other equipment
- Training or education

How did you find out which expenses you could and could not claim tax relief for?

- Employer? Friend? Relative? Work colleague?
- Online – GOV.UK? HMRC website? Another website?
- Another way?

Did you incur any expenses that you were unsure of whether or not you could claim tax relief?

- What were these expenses?
- What information did you need to know?
- Did you look for this information? Where did you go?
 - Online?
 - Call HMRC?
 - Speak to your employer?
 - Other – Citizens Advice, friends, family, work colleagues?

What do you think about what you can and cannot claim tax relief on through HMRC?

- Is there anything that you think you should be able to claim but can't?
- How would you feel if you could claim this?
- What impact, if any, would being able to claim this have on you?
 - PROBE AROUND: Helping them financially – possibly save or spend on other items? What would they save for? Or spend the money on?
- What about anything that you think you shouldn't be able to claim but can?
- Why do you think you shouldn't be able to claim this?
- What impact, if any, do you think not being able to claim this would have on you?
 - PROBE AROUND: Personally, cost you more money?

What about the expenses that your employer will reimburse? Is there anything that is unclear about what you can and cannot claim through them?

- What was unclear?
- What information did you need to know?
- Did you try to find any further information? Where did you go?
- How could this have been explained more clearly?
- How would you want this information to be provided to you?
 - Online through company intranet?
 - Through a colleague?
 - Through an employee assistance line?

What do you think about the expenses your employer reimburses?

- Is there anything that you think your employer should reimburse, but they don't?
- How would you feel if they did reimburse this?
- What difference would this make to you?
- Why do you think your employer does not reimburse this expense?
- What about anything that you think they shouldn't reimburse but they do?
- Why do you think they shouldn't reimburse this?
- Has your employer made any changes to what they will or will not reimburse recently? What changes have they made?
- What, if any, impact has this change had?
 - Has it had any impact on the way you do your job?
 - Do you think it will have any longer-term impacts on you or the way you do your job?

What are the different ways that you can submit a claim to HMRC for expenses that are not covered by your employer?

- PROBE AROUND:
 - Self-Assessment (SA) form – sent in the post, online?
 - P87 form – sent in the post
 - Claim made over the phone
 - P87 form through their Personal Tax Account (PTA)
 - Through an agent
 - In writing (not using a form)

EXPLANATION OF PERSONAL TAX ACCOUNT IF NEEDED:

<p>The Personal Tax Account is an online service from HMRC that allows people to view information and perform tasks relating to their tax and national insurance contributions, and any child benefit or tax credits they receive, in one place.</p> <p>Did you look for information or guidance on how to complete your claim from HMRC?</p> <ul style="list-style-type: none"> ▪ Where did you look for this information? ▪ Did you find the information you needed? ▪ Did the guidance make clear what supporting evidence and information you would need to provide with your claim? <ul style="list-style-type: none"> ○ PROBE AROUND: need for receipts/invoices or bank statements or other documentary evidence. ▪ Did the guidance make clear to you how the relief would be paid to you? <p>What information did you need to know before you made a claim?</p> <ul style="list-style-type: none"> ▪ Anything else? 	
<p>Section 5 – Experience and improvements in claims process – 20 mins</p>	<p>Section description</p>
<p><i>Now I'd like to talk about the last time that you made a claim for tax relief on employment expenses which your employer didn't reimburse.</i></p> <p>Thinking about the last time you made a claim. What were you claiming tax relief on?</p> <ul style="list-style-type: none"> ▪ PROBE AROUND: <ul style="list-style-type: none"> ○ Uniforms (including laundry expenses), work clothing and tools ○ Business mileage, fuel and electricity costs ○ Travel and overnight expenses ○ Professional fees and subscriptions ○ Working at home ○ Buying other equipment ○ Anything else? <p>And can you remember how much the claim was for?</p> <ul style="list-style-type: none"> ▪ PROBE AROUND WHETHER MORE OR LESS THAN £2,500. <p>Was the most recent time, the first time you had made a claim?</p> <ul style="list-style-type: none"> ▪ Can you remember how many times have you submitted a claim? 	<p><i>This section explores their experience of the claims process and how it could be improved in the future.</i></p>

- Was your most recent claim just covering the previous year or was it covering several years?

Let's now think about the last time you made a claim. Could you start by talking me through the process you went through?

MODERATOR: PLEASE USE JOURNEY MAP IN **APPENDIX A** TO CAPTURE THEIR JOURNEY THROUGH THE CLAIMS PROCESS. AS FAR AS POSSIBLE WE WOULD LIKE TO HEAR IN THE EMPLOYEES OWN WORDS WHAT THEY DID. IF THERE IS TIME AND THEY HAVE COMPLETED THE PROCESS MULTIPLE TIMES, DISCUSS ANY DIFFERENCES IN PREVIOUS JOURNEYS, TO THE ONE THAT HAS BEEN MAPPED OUT.

PROBE AROUND:

- How did you make your claim? Why did you decide to do it in this way?
 - Self-Assessment (SA) form?
 - P87 form
 - Personal Tax Account (PTA)
 - Through an agent
 - Over the phone
 - In writing (not using a form)

IF STATES THROUGH AN AGENT AND HAS MADE MULTIPLE CLAIMS, CHECK IF THEY HAVE EVER COMPLETED A CLAIM WITHOUT AN AGENT. IF THEY HAVE, RUN THROUGH THE PROCESS THEY WENT THROUGH WHEN THEY COMPLETED THIS ON THEIR OWN.

- What channel did you use to complete your claim?
 - Online? Phone? Post?
- Why did you decide to complete the form online/over the phone/via post?
- What was the first thing you did after deciding how to make your claim?
- What information did you need to provide at each stage?
- Did you have all this information to hand?
- Where did you find this information if you did not have it?
- Did you have any questions whilst completing the form?
 - When did you have questions?
 - What questions did you have?
 - How did you find the answers to these questions?

- Where, if at all, did you look for further information or guidance?
- How helpful was this information or guidance?
- What else did you need to know?
- What, if anything, do you think worked well during the process?
- What, if anything, worked less well during the process?
 - How could this process have been improved?

SELF-ASSESSMENT (SA) FORM:

Did you access the tax return guidance notes or help sheets for information or assistance when completing your claim?

- What information were you looking for?
- Was there any information that you could not find?

Overall, how helpful did you find the guidance notes or help sheets?

- What makes you say that?

PERSONAL TAX ACCOUNT (PTA):

Was this the first time you had used a Personal Tax Account?

IF NEEDED: The Personal Tax Account is an online service from HMRC that allows people to view information and perform tasks relating to their tax and national insurance contributions, and any child benefit or tax credits they receive, in one place.

- How easy or difficult did you find setting up the account?
- What did you find easy or difficult about it?

Once you got into the account, what did you do next?

- How easy or difficult was it to find what you needed?
- What was easy or difficult about it?
- How could the process and account be improved?

FOR THOSE USING AN AGENT:

Why did you decide to use an agent to complete and submit the claim?

- Were there any other reasons for using an agent?
- Had you ever submitted a claim on your own before?
- How did you find the process?

- What, if anything, was difficult about the process?
- How could this process be improved?
- If these improvements were made would you consider completing the form yourself without the assistance of an agent?
 - What makes you say that?

How did you find your agent?

- Word of mouth/recommendation?
- Online searches?
- They approached you?

How did you decide whether the agent was right for you?

- Cost of service? Recommendation? First agent you found? Other reasons?

How would you describe your experience of using an agent?

- Was the service as you expected? Different?
- How was it different?
- Did it meet your expectations?

Did the agent discuss or provide a sense of the amount of tax relief that you would receive?

- How accurate was this estimation?

If you need to complete another claim in the future, do you think you would use the same agent?

- What makes you say that?

FOR THOSE NOT USING AN AGENT:

Have you ever used an agent in the past to complete a claim?

- How did you find the process when using an agent?
- Why did you decide to not use an agent on your most recent claim?
- Which experience did you prefer, submitting the claim yourself or through an agent?
 - What makes you say that?

ALL:

How would you describe your overall experience of making a claim?

<ul style="list-style-type: none">▪ What makes you say that? <p>What, if anything, could have improved your experience of making a claim?</p> <ul style="list-style-type: none">▪ Anything else? <p>Is there anything else that you would like to change about the rules or system for claiming that we have not already discussed?</p> <ul style="list-style-type: none">▪ How could this be improved?▪ What would it mean to you if this was changed? <p>When, if at all, are you planning to next make a claim?</p> <ul style="list-style-type: none">▪ Why do you think you will make a claim at this time?▪ Are there any other reasons that you may do this? <p>After submitting your claim, did you receive the reimbursement you were expecting?</p> <ul style="list-style-type: none">▪ If not, what makes you say that? <p>What do you think would happen if you did not make another claim?</p> <ul style="list-style-type: none">▪ Do you think anything would happen?▪ What makes you say that? <p>When you make a claim for expenses tax relief, do you know in what way the money it is repaid back to you?</p> <ul style="list-style-type: none">▪ PROBE AROUND IF THEY UNDERSTAND THAT IF THE CLAIM IS FOR THE CURRENT YEAR, THEIR TAX CODE WILL BE ADJUSTED. BUT IF THEIR CLAIM IS FOR A PREVIOUS YEAR, THEY WILL BE SENT A CHEQUE FOR THE TAX RELIEF IN THE FORM.▪ FOR PERSONAL TAX ACCOUNT (PTA) CUSTOMERS PROBE AROUND IF THEY ARE AWARE THAT THEY COULD ALSO ARRANGE, VIA PTA, FOR MONEY TO BE REFUNDED DIRECTLY INTO THEIR BANK ACCOUNT FOR PREVIOUS YEARS' CLAIMS.▪ IF THEY UNDERSTAND THAT THEIR TAX CODE WILL BE ADJUSTED PROBE AROUND WHETHER THEY KNOW HOW LONG THE ADJUSTMENT LASTS FOR.▪ How did you find this out?	
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<p>If your tax code has been adjusted, would you know what to do if the amount and type of expenses you incur changed year on year, or stopped?</p> <ul style="list-style-type: none"> ▪ What, if anything, would you do? ▪ What makes you say that? <p>At the moment, if your tax code is adjusted, the resulting change will continue to be applied to subsequent years unless you tell HMRC otherwise. However, it's possible that HMRC could make this change for you, if it became obvious that the expenses tax relief was no longer applicable. For example, on your retirement.</p> <ul style="list-style-type: none"> ▪ How would you feel about HMRC making this change automatically? ▪ What, if any, impact would this have on you? <p>Another possible change that HMRC could put in place is to request that customers submit expenses tax relief claims every year. Rather than assume expenses are the same unless you tell HMRC otherwise.</p> <ul style="list-style-type: none"> ▪ How would you feel about this change? ▪ What, if any, impact would this have on you? 	
<p>Section 6 – Summing up – 5 mins</p>	<p>Section description</p>
<p>I just have a few final questions for you before we finish.</p> <p>If you could only suggest one improvement for each of the following, what would it be?</p> <ol style="list-style-type: none"> 1. The way your employer reimburses expenses 2. The information available to you about claiming tax relief on employment expenses from HMRC 3. The way you can submit a tax relief claim for employment expenses to HMRC <p>Is there anything that you wanted to mention that you haven't already had the chance to?</p> <p>THANK PARTICIPANT FOR TAKING PART.</p> <p>ASK IF THEY WOULD LIKE £40 INCENTIVE VIA LOVE2SHOP VOUCHER, AMAZON EMAIL VOUCHER, CHEQUE OR PAYPAL PAYMENT. WE WILL NEED TO TAKE DOWN DETAILS OF EMAIL/POSTAL ADDRESS/PAYPAL DETAILS DEPENDING ON OPTION CHOSEN.</p> <p>CONFIRM NEXT STEPS AND RECONFIRM CONFIDENTIALITY AND THAT THEY ARE HAPPY FOR A TRANSCRIPTION OF DISCUSSION TO BE MADE. NOTE EITHER WAY AND LOG ON BOOKING FORM. ALL FINDINGS WILL BE ANONYMISED.</p>	<p><i>This section is just to sum up the conversation and help to bring it to a close.</i></p>

12 Annex C: Discussion Group structure and Discussion Guide

Table 12.1 Discussion group structure

- Group 1 with customers that earned over £35,000, P87 (PTA and paper) – 4 participants.
- Group 2 with customers that earned between £11,501 - £35,000 P87 (PTA and paper) – 5 participants.

Introduction (7-8 mins)

Moderator to introduce themselves and the research:

- IFF – independent research agency
- HMRC have commissioned IFF Research, an independent research agency, to conduct research to help them better understand customer experiences of claiming tax relief on expenses that have not been reimbursed by employers. This interview will focus on your experience of claiming the relief and what opportunities may exist to improve the process.
- Confidential – can use first names when talking to each other; participants will not be identified in our report
- Acknowledge presence of observers from HMRC – they want to hear your views and experiences first-hand – there are no ‘right’ or ‘wrong’ answers so please be candid; and it is fine to disagree with each other (respectfully)
- Ask permission to record the focus group.

Background and warm up (7-8 mins)

Brief participants to pair up and talk to each other for a couple of minutes – they need to find out (and remember) some key facts about the person next to them, who they will then have to introduce:

- Their name
- What they/their partner do for a living - industry/sector
- Whether they undertake any self-employed work

MODERATOR NOTE: to establish commonality among the group.

I'd like to begin by discussing the types of expenses you incur in your day to day job. We are most interested in the expenses that you incur as part of doing your day to day job rather than any costs of getting to your usual place of work, such as public transport fares.

Flip chart exercise – spontaneous discussion about expenses they incur through work. Use two columns, one for those reimbursed by employer, one for those not reimbursed by employer

- **What expenses does your employer reimburse?**
- **What expenses does your employer not reimburse?**
 - Uniforms (including laundry expenses), work clothing and tools
 - Business mileage, fuel and electricity costs
 - Travel and overnight expenses
 - Professional fees and subscriptions
 - Working at home
 - Buying other equipment
 - Training or education
- **Has this always been the case?**
 - Was there a time when they did/did not reimburse these expenses? When?
 - Do you know why your employer changed their approach to these expenses?

MODERATOR NOTE: acknowledge differences in experiences / what is reimbursed/not reimbursed. Probe around if anyone was surprised to hear they could claim other expenses.

- **And of the expenses not reimbursed by your employer, which ones did you claim tax relief back from HMRC on?**
- **How did you first realise you can claim back tax relief from these expenses from HMRC?**
 - Word of mouth (friends, colleagues, family etc)?
 - Self-Assessment?
 - Looking for other information on their taxes?
 - Other?

- **When did you first realise you can claim tax relief on these expenses?**
- **How confident do you feel in your understanding of what can/cannot be claimed?**
- **And how confident do you feel in your understanding of how the claim is paid back to you?**

Let's now move on and talk about how you made your last claim to HMRC, this may have been in the last 12 months or so. We'll start off with an individual exercise and discuss it together as group.

Provide a hand out to each person (a blank journey map) and ask them to annotate:

- Key steps taken?
- Who was involved?
- What expenses were you claiming?
- When did the expenses occur?
- How the form was completed – what they can remember about it?
- What they liked/disliked about the process?
- Any difficulties during the process? How did you solve them?
- Where they sought guidance/ information?
- Anything else they can remember about the process?



Start - When you first heard about claiming

End – when you received reimbursement

MODERATOR NOTE: Ask participants to discuss their journey maps in turn and discuss as a group. Use flip chart to make notes of positive and negative experiences at each of the following points in the journey?

- Finding out about claims process
- Logging on to make a claim vs printing an online form vs providing details over the phone?
- Why this route?
- Awareness of the PTA.

READ OUT BELOW IF THEY DO NOT RECALL OR KNOW WHAT PTA IS:

The Personal Tax Account is an online service from HMRC that allows people to view information and perform tasks relating to their tax and national insurance contributions, and any child benefit or tax credits they receive, in one place.

MODERATOR NOTE: HAND OUT STIMULUS 1 SHOWS PTA SCREENSHOTS – JUST SHOW PAGES 4-7 THAT SHOWS LOGGING IN PROCESS. HAND OUT STIMULUS 2 - SCREEN SHOTS OF HOW THEY WOULD HAVE GOT TO THE FORM THROUGH PTA.

Ascertain who recalls using it if not immediately mentioned/understood.

- Completing the form?
- Obtaining guidance and information?
- Submitting the form?
- **What (if anything) could be improved about this process?**
 - How does it compare to other processes/claims you may have made to HMRC (or other government departments)?
 - Have you made a non-reimbursed expenses claim through another way before?
 - How did you complete it before? And why did you approach it in a different way this time round?
- **FOR THOSE WHO COMPLETED BY POST: What do you think about completing the form online through the PTA?**

MODERATOR NOTE: HAND OUT STIMULUS 3 - 6 SCREEN SHOTS OF ONLINE FORM TO GIVE THEM AN IDEA OF WHAT THIS WOULD LOOK LIKE.

- It is exactly the same form as the one you complete and send but the submission would be online? How do you feel about that?
- What concerns might you have?
- How likely will you be to try it next time you need to update HMRC?
- **How easy/difficult was the guidance/information provided by HMRC to understand?**
 - How could HMRC better communicate and explain the process?
 - What additional information would you like to know?
 - And how would you like this information? PROBE ON DIFFERENT CHANNELS

- **Once the claim was submitted can you tell me more about what happened next?**
 - How were you reimbursed by HMRC? How was the claim paid back to you?
 - Did you get back the amount you were expecting? (How much more/less than expected?)
- **How familiar are you with Pay As You Earn (PAYE) tax codes?**
 - Do you know what your tax code is?
 - Do you understand how and why they are adjusted from year to year?
- **Do you know why your tax code may be adjusted in relation to non-reimbursed employee expenses?**
 - Can you remember when you first realised this was the case?
 - How did you find out about it?
 - Where did you get guidance/information from?

HAND OUT STIMULUS 4 - 1-page factsheet explaining how tax codes are adjusted in relation to tax relief claimed on non-reimbursed expenses

- **Now you have read this information, do you feel this matches your understanding of how tax codes are adjusted in relation to tax relief?**
- **Have you ever updated your details with HMRC if your circumstances changed?**
 - How did you update them? What channel did they use?
 - How did you find the process of updating HMRC?
 - What improvements could be made to this process?
- **How could HMRC further improve awareness and understanding of the process?**
 - Could it be explained better?
 - What further information/guidance would you like to see?
 - How and when should this be provided to you?
 - Through what channels?

HMRC are considering changes to the way in which the claim is administered (HAND OUT SHOW CARD 1)

SHOW CARD 1: *If you claim for expenses one year, the resulting change in your tax code will continue to be applied to subsequent years unless you tell HMRC otherwise.*

However, it's possible that HMRC could make this change for you, if it became obvious that the expenses tax relief was no longer applicable. For example, if you had a change in employment, stopped working or retired.

- **How would you feel about HMRC making this change automatically?**
- **What, if any, impact would this have on you?**
 - Would you do anything if differently (what?)

MODERATOR NOTE: HAND OUT SHOWCARD 2.

SHOW CARD 2: *HMRC could request that customers submit expenses tax relief claims every year. Rather than assume expenses are the same unless you tell HMRC otherwise.*

- **How would you feel about this change?**
- **What, if any, impact would this have on you?**
 - Would you do anything if differently (what?)
- **If you could only suggest one improvement for each of the following, what would it be?**
 - The information available to you about claiming tax relief on employment expenses from HMRC
 - The way you can submit a tax relief claim for employment expenses to HMRC
- **Thank you for all your feedback this evening. Is there anything else you'd like to add, about what we've been discussing this evening?**

- On behalf of IFF Research and HMRC, thank you very much for your time.

Moderator to distribute incentives and ensure that everyone has signed to say they have received them

“

IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

Our Values:

1. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don't undertake projects with a preconception of what “the answer” is, and we don't hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

2. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual's way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.



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