

HOME WORKING TAX RELIEF & EMPLOYER REIMBURSEMENTS CHANGES FROM 6 APRIL 2026

Recent Government announcements have confirmed changes to the way certain employee expenses will be treated for tax purposes. These changes affect the long standing homeworking tax relief and also introduce new opportunities for employers to reimburse some common employee expenses without a tax charge.

Employers and employees should review these changes carefully as they may affect how staff are supported when working from home and how certain health and equipment costs are handled.

HOMWORKING TAX RELIEF TO BE ABOLISHED

For several years employees who work from home have been able to claim a flat rate tax deduction to cover additional household costs. The flat rate allowance has been £6 per week and has been available where employees incur additional costs because they are required to work from home.

Under the new rules this relief will be abolished. This means employees will no longer be able to claim the £6 weekly allowance through their tax code or Self-Assessment return for unreimbursed homeworking costs. The removal of this relief means that employees will no longer receive a tax reduction for small household costs such as electricity, heating or internet usage connected with homeworking.

However, employers will still be able to reimburse reasonable homeworking costs without creating a tax charge for the employee. Where an employer chooses to pay a homeworking allowance, that payment can continue to be made tax free provided it falls within the permitted limits.

For many employees this means that support for homeworking costs may shift from individual tax claims to employer reimbursement policies.

NEW TAX-FREE REIMBURSEMENTS FOR CERTAIN EXPENSES

Alongside the removal of the homeworking tax claim, the Government has confirmed new rules allowing employers to reimburse certain employee expenses without creating a taxable benefit.

Employers will now be able to reimburse employees tax free for several types of costs even where the employee pays for the item personally.

The new rules cover three main categories of expenditure.

First, employers can reimburse the cost of flu vaccinations. Many employers already offer workplace flu vaccination programmes as part of their wellbeing policies. The new rules allow an employer to reimburse the cost where an employee arranges and pays for the vaccination themselves.



Second, eye tests can also be reimbursed tax free. Eye tests are already commonly provided for employees who use display screen equipment, but the revised rules make it easier for employers to reimburse employees directly where they arrange the test themselves.

Third, the cost of homeworking equipment can be reimbursed tax free even if the employee initially purchases the equipment personally. This may include items such as office chairs, desks, computer monitors, keyboards or similar equipment required for work.

Previously the tax treatment could be more complicated where the employee purchased equipment themselves.

The new rules simplify the position and allow employers to reimburse these costs without creating a benefit in kind.

WHAT THIS MEANS FOR EMPLOYERS

Employers may wish to review their current policies regarding homeworking and staff reimbursements.

The removal of the homeworking tax relief may mean employees expect greater support from employers with the costs associated with working from home. Some businesses may therefore consider introducing or reviewing a homeworking allowance.

At the same time the new reimbursement rules provide an opportunity for employers to support employee wellbeing and productivity by covering the cost of certain health checks and work equipment without triggering additional tax liabilities.

Clear expense policies and internal guidance will help ensure that any reimbursements fall within the tax free rules.

WHAT THIS MEANS FOR EMPLOYEES

Employees who currently claim the £6 per week homeworking tax relief should be aware that this claim will no longer be available once the change takes effect.

Where employees continue to work from home, they may wish to check whether their employer offers a homeworking allowance or reimbursement for certain costs.

Employees should also keep receipts where they purchase items such as work equipment, pay for eye tests, or flu vaccinations that may be reimbursed by their employer under the new rules.



HOW WE CAN HELP

If you employ staff who work from home or operate employee expense reimbursement policies, it may be worthwhile reviewing your arrangements to ensure they remain tax efficient and compliant with the new rules.

We can help you review your policies, advise on the tax treatment of staff reimbursements and ensure that any payments are structured in the most efficient way.

If you feel this alert could help a business colleague or family member, please feel free to share it with them. Call us on **01753 888 211** or email info@nhllp.com, we are here to help.