

Working from home

Some of us have to work at home; others see the idea as the perfect solution to a noisy office, endless interruptions, or a long and expensive commute. But if you are seriously thinking of leaving the office on a permanent basis, there are a number of questions you must first consider.

What you can claim

If you are a self-employed person, you can claim costs in your accounts that are incurred wholly and exclusively for the purpose of your business.

Having somewhere to do your business paperwork is essential. If you don't maintain a separate office, you can claim a reasonable proportion of those household running costs that represent the space and time in which your office operation occupies your home. This includes a proportion of your rent, council tax and water rates.

If you are an employee

If you are an employee, you can only claim the additional variable expenses incurred by working at home. These costs amount to the increased energy needed to heat and light your property for longer, and the extra water used if that is metered.

You can also claim the cost of business related telephone calls, but not a proportion of telephone line rental, or part of your mortgage or insurance costs. These amounts are considered to be fixed whether or not you work from home, so you can't reclaim any part.

Is it justified?

The relaxed and comfortable atmosphere generated by your home environment may sound good for morale but it is also a key reason for you to question your motives. Make sure you're not looking for an easy option, because this is not it. And make sure that your physical absence is not going to leave your business in serious trouble.

Reclaiming the costs

HMRC prefers employees to reclaim the costs of home-working from their employers. If you have agreed with your employer that you will work at home for all or part of your working time, your employer can reimburse you for the extra energy used during that time.

If you want to claim more than £3 per week, excluding telephone calls, you must be able to demonstrate that your energy bills have increased by more than this amount.

Can you maintain the work/life distinction?

Working from home offers flexibility but it also requires true self-discipline and organisation. Making a mental and physical distinction between your home and your working life is essential, both to resist the distractions of the television or garden, and, at the other end of the scale, to prevent work from wholly consuming your life.

Creating a dedicated working area is essential, while separate telephone lines for home and business could help you to maintain the boundary between 'work' and 'home' time.

Do you have the right working environment?

Take the creation of your home office seriously. It should be comfortable, well-lit and properly equipped. Working at the kitchen table is rarely conducive to an efficient frame of mind. Bear in mind that you may need to revise your insurance policy to cover business equipment in the home.

Will others support you?

It is one thing to be disciplined yourself - you will also need the support of those around you: beware of constant family interruptions! As a practical tip, a 'Do Not Disturb' sign on the office door can work wonders.

Home working Do's and Don'ts

- **Do** establish a daily routine and stick to it
- **Do** schedule the day's tasks and meet your own deadlines
- **Do** stay in regular contact with the main office

- **Don't** take work home that requires group decisions or input
- **Don't** sleep late on working days
- **Don't** run to the refrigerator too often!