

Contractor doctor: can I claim food expenses and without receipts?

Dear Contractor Doctor,

I am a technician, working on gas turbines all over the world and have set up a limited company.

Could you please tell me if by law I can claim £40 a day for food expenses (unreceipted) while working overseas and £25 (unreceipted) while working in UK ?

Many thanks,

[Name supplied]

Contractor Doctor says:

According to [Barry Roback](#), of the Watford-based contractor affairs specialist firm [JSA](#), contractors who have [limited companies](#) can only deduct receipted food expenses. The food in question, of course, must be consumed in a work-related context. You cannot deduct your regular living expenses under any circumstances. But when your work situation obliges you to eat in a company cafe, or when you cannot get home to eat, you may deduct food expenses with receipts.

A number of [umbrella companies](#) claim to offer contractors a block deduction for food with or without receipts. Here contractors need to take care.

These umbrellas have obtained a 'dispensation' from HM Revenue. Roback warns that a 'dispensation' is not an allowance for food. It's an agreement with the local HMRC office to allow the umbrella not to provide receipts for these expenses. Dispersations of this sort are intended to cut down on paperwork where there are regular expenses of the same type, Roback explains.

What contractors need to realise is that you actually are supposed to be consuming food equal to the amount of the 'dispensation,' or you don't have the right to take the money. It's not a gift; it's something you're supposed to use. How it is administered depends entirely on the local HMRC office.

So contractors should be wary of agencies which advertise these deductions as an attraction to win contractors over. These 'dispensations' are not meant to be used in this way, and the local HMRC office might very well take a negative attitude towards agencies who do it.

Good Luck with your contracting!

Contractor Doctor

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