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What You Can Claim When Working From Home

Setting up a home office? Here's how to create a comfortable workspace, while offsetting the extra costs of working remotely. If you're among those who have decided to say 'so-long' to the office, you've probably also realised that having the right home-office set up is essential for your productivity – and sanity.

As many of us learnt during lockdown, trying to fit in a full day's work at the dining room table isn't always the most productive option. You might also have noticed what many freelancers have known for years: Working from home comes with extra costs, as does setting up your home office.

So, what do you need to do to get your workspace set up for productivity – and comfort – and how can you offset the extra costs that come with working from home?

GETTING ERGONOMIC

For most computer work, there's a few key areas you need to customise to suit you:

1. **The height of your desk and chair.** You'll know you've gotten this right when your forearms are parallel to the ground, with your wrists either straight, at or below shoulder level. Your knees should be level with your hips and feet flat on the ground, or on a footrest.
2. **Your monitor set up.** Your monitor needs to be straight in front of you, an arm's length away. The top of the screen should be at or slightly below eye level. Use a monitor riser if needed to get your monitor to the right height. Also consider the brightness of your display – it should be just a little brighter than surrounding ambient light.
3. **Location of key objects.** Place your keyboard and mouse on the same level surface and keep other items you use often within easy reach. If you use the phone a lot, put it on speaker or use a headset to avoid neck and shoulder strain.
4. **Light sources.** You'll need sufficient ambient light to illuminate your workspace, so that you're not straining your eyes. Beware of indirect lighting from windows that can cause glare on your monitor screen.

GETTING (AND EXPENSING) EQUIPMENT

Setting up an ergonomic workspace can involve a bit of gear, even if there are some inexpensive home solutions. At the very least you'll need a computer, decent office chair, full size monitor, keyboard, and mouse. You may also need to add in a footrest, monitor riser, laptop dock or stand, headset, lighting, and any other office equipment you use regularly, like a printer. This can add up to quite a hefty price tag! But don't worry, it's unlikely you'll need to foot the entire bill yourself.

If you're a company employee, start by speaking to your employer. Many companies will offer to either source equipment for you, lend it to you or reimburse you for purchase/s you make.

Under Workplace Health and Safety Laws, employers still have a duty to ensure the health and safety of workers, even if they're working from home. In fact, some companies will already have occupational health and safety policies that mandate an ergonomic set up using a certain type of office equipment.

TAX DEDUCTIONS: WHAT CAN I CLAIM?

While you can save money by working from home (less transport costs, homemade lunches, no need for fancy clothes) it does come with other costs (and paperwork) you may not have thought about.

Fortunately, you're allowed to offset many of these costs against your earnings by claiming a deduction in your annual tax return. According to the ATO, expenses you can claim a deduction for include:

- the cost of electricity for heating, cooling, and lighting the area you're working in, and running items you're using for work.
- cleaning costs for a dedicated work area.
- phone and internet expenses
- computer consumables (for example, printer paper and ink) and stationery
- home office equipment, including computers, printers, phones, furniture, and furnishings. You can claim either the:
 - full cost of items up to \$300
 - decline in value (depreciation) for items over \$300.

To make a claim, you need to have spent the money and have a record to prove it. You can't claim a deduction where you've been reimbursed by your employer for the expense.

TAX DEDUCTIONS: HOW DO I CLAIM?

Because it can be tricky to track and report on your expenses when working from home, the ATO has introduced a temporary 'shortcut method'. This is now in place up until 30 June 2021 (and may be extended further).

The shortcut method allows you to claim a deduction of 80 cents for each hour you work from home. It covers all the deductible expenses listed above. You'll need to keep a record of the hours you worked, in the form of a roster, diary, timesheet or similar.

With remote work now widely accepted, many people can't wait to give hour-long commutes, open plan offices and office politics the flick for good. Just make sure you take the time to get your office set-up right and avoid those nasty repetitive strain injuries in years to come.

Source: FPA Money and Life

If you have any questions around your particular circumstances, give Shaun or Vicky a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon).



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