



COMMUNITY  
BROKER  
NETWORK

# WFH: What you can claim from the ATO

The ATO has announced that they will accept a temporary simplified method (or shortcut method) of calculating additional running expenses for the period starting 1 March 2020 until at least 30 June 2020. The ATO may extend this method, depending on when work patterns start to return to normal.

## What you can claim

The shortcut method rate covers all deductible running expenses, including:

- electricity for lighting, cooling or heating and running electronic items used for work (for example your computer), and gas heating expenses
- the decline in value and repair of capital items, such as home office furniture and furnishings
- cleaning expenses
- your phone costs, including the decline in value of the handset
- your internet costs
- computer consumables, such as printer ink
- stationery
- the decline in value of a computer, laptop or similar device.

You do not have to incur all of these expenses, but you must have incurred additional expenses in some of those categories as a result of working from home due to COVID-19.

**You can claim a deduction of 80 cents for each hour you work from home due to COVID-19 as long as you are:**

- working from home to fulfil your employment duties and not just carrying out minimal tasks such as occasionally checking emails or taking calls,
- incurring additional deductible running expenses as a result of working from home.



**Example:**

If I started working from home in the beginning of March to end of June (assume for the purpose of this exercise you work for the same no. of hours each week) , I then can claim in my FY20 tax return:

80 cents x 40 hours x 18 weeks = \$576

If ATO extends this simplified method to FY21, then same thing, we just have to track our hours every week.

## What you have to do:

- You must keep a record of the number of hours you have worked from home as a result of COVID-19. Examples are timesheets, diary notes or rosters.
- If you use the shortcut method to claim a deduction for your additional running expenses, you cannot claim a further deduction for any of the expenses listed above.
- If you use the shortcut method to claim a deduction and you lodge your 2019-20 tax return through myGov or a tax agent, you must include the note 'COVID-hourly rate' in your tax return.

For further information, please visit:

<https://www.ato.gov.au/General/COVID-19/Support-for-individuals-and-employees/Employees-working-from-home/>

<https://www.abc.net.au/news/2020-04-07/claiming-tax-deductions-for-working-from-home-coronavirus-ato/12128622>