

# Boost to remote working subsidies from 2022

## ANDY PRENDERGAST

**Announced as part of Budget 2022, the Government is set to increase the level of tax deductions on heating and electricity costs available to remote workers, from next year - matching the 30% level of subsidy remote workers can currently get on broadband expenses.**

The increase in tax deductions, from 10% to 30% of the cost of vouched expenses for heat and electricity for days spent working from home, is part of Government policy to facilitate and support remote working.

Remote workers could already claim 30% of broadband costs in respect of those days spent working from home.

The enhancement of tax deductions will be implemented next year, despite a recent Finance paper advising that further incentivising of remote working was not needed (*see [Remote Working in IRN 34/2021](#)*).

On the other hand, the increase in the heating subsidy could be viewed as timely, given the increasing heating costs caused by low gas supplies across Europe.

It also the case that another potential benefit to remote working employees, the €3.20 *per diem* tax-free allowance, is not paid by a majority of employers.

This meant that some tweak to further promote remote working, as part of the Government's national Making Remote Work strategy, was likely.

## FINANCE BILL

Revenue told IRN that the current concessional tax arrangements for working from home will be "enhanced and formalised" from 2022 onwards.

Further information on the proposed enhancements will be set out in the Finance Bill, due to be published by the Department of Finance next week.

Revenue said it is envisaged that the calculation of the enhanced remote working tax relief will be similar to how the relief is currently calculated. There is currently no requirement to calculate the relief due, relevant to the room being used.

## REACTIONS

Responding to the Budget 2022 announcement, the CIPD said the tax deduction approach “is not a strong incentive.”

It said that despite the number of the labour force working remotely last year, “only 42,000 people claimed the allowance, and the average claimed was €26”, and that the proposed increase could amount to around €50 per year.

The “highly administrative process” involved in claiming the tax deduction “will not yield a high return for many employees”, CIPD director, Mary Connaughton added.

The Fórsa trade union said it welcomed the Budget announcement of improved tax relief for heating and electricity costs but that “meeting the additional costs associated with remote working remained under discussion in talks on a long-term framework for ‘blended working’ in the public service.”

Union general secretary, Kevin Callinan said that a successful outcome to current talks for public servants “would be far more significant than the Budget measures in terms of realising the Government’s January 2021 Remote Working Strategy.”

He said that unions “would be watching to see if today’s tax changes discourage employers from contributing towards heating and electricity costs for staff working remotely, and instead effectively pass the responsibility on to the public exchequer.”