COOPER'S
ACCOUNTING

2024 WORKING FROM HOME DEDUCTIONS

Fixed rate method

The fixed rate method allows you to claim a set rate per hour you work from home and covers expenses that are often difficult to apportion.
This includes:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (for example, printer ink)
- stationery.

You don't need a dedicated home office to use this method.

❌ You can’t claim a separate deduction for any of the expenses the fixed rate includes.

✅ You can claim a separate deduction for:

- the decline in value of assets used while working from home, such as computers and office furniture
- the repairs and maintenance of these assets
- cleaning (if you have a dedicated home office).

Actual cost method

The actual cost method allows you to claim a deduction for the actual expenses you incur as a result of working from home.
This may include:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (for example, printer ink)
- stationery
- the decline in value of assets used while working from home, such as computers and office furniture, as well as any maintenance and repairs of these items
- cleaning (if you have a dedicated home office).

The actual cost method requires detailed calculations and records. For example, you will need to know and have records of the cost per unit of electricity and average units used per hour. If you plan to use this method.
As an employee working from home, you generally can’t claim for occupancy expenses, such as rent, insurance or mortgage interest.

Fixed rate method

You will need the following records:

- [ ] A record of all the hours you work from home for the entire year (for example, timesheets, rosters or a diary)
- [ ] Evidence you paid for the expenses covered by the fixed rate method (for example, if you use your phone and electricity when you work from home, keep one bill for each of these expenses)
- [ ] Records for any depreciating items you claim as a separate deduction (for example, a computer or office furniture).

Record keeping

Check you have the correct records before claiming a working from home deduction. If you don’t have records, ***don’t claim the expense.***

Actual cost method

You will need the following records:

- [ ] A record that represents the hours you work from home (such as timesheets, rosters or diary showing at least a 4-week regular pattern of work)
- [ ] Evidence for every expense you claim, including receipts, bills or invoices which show the supplier, amount of the expense, nature of the goods, date it was paid and date of the document
- [ ] Evidence of your personal and work-related use of the items or services you buy and use.

In most cases, a bank or credit card statement (on its own) isn't enough evidence of a work related expense.

Decline in value of assets and equipment (applies for both methods)

You will need records for depreciating assets, that show:

- [ ] when and where you buy the item and its cost
- [ ] when you started using the item for a work-related purpose
- [ ] how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work