

Expenses

Employees might be required to spend their own money on work-related costs. These are called expenses.

The employer would usually pay back employee expenses.

Common types of expenses are:

- business-related travel and overnight costs
- fuel for company vehicles
- equipment and tools
- uniforms

Where employers expect to pay expenses they should have a policy. The policy should cover:

- what expenses the employer will pay
- how the payments are calculated
- any payment limits
- what evidence the employee needs, for example, receipts

If there is an expenses policy, the employer and employee should follow it.

If an employee does not have evidence

If an employee has incurred an expense but does not have the required evidence, they should speak to their employer.

They could ask whether the employer would accept a different type of evidence on this occasion. For example, a bank statement or booking reference instead of a receipt.

If the employee cannot give the evidence required in the policy, their employer might not pay the expense.

If there's no policy

Some employers might have regularly paid their employees expenses without a written policy or agreement. If this is the case, employees might be entitled to expenses through [custom and practice](#).

Introducing a new arrangement

An employer might want to introduce a new arrangement that requires an employee to spend their own money on work-related costs.

The employee should agree in advance with the employer that money spent on work-related costs will be repaid. It is good practice to get this in writing so it is clear what has been agreed. For example, a letter or email.

If this new arrangement is going to be long-term, the employer should create an expenses policy.

If expenses are not paid

If an employer has not repaid expenses, it is usually best for the employee to raise it informally first. They can do this by [talking to their employer](#). This can help resolve things quickly if there has been a mistake.

If the employee talks to their employer, the employee should confirm what they discussed in writing. For example, in a letter or email.

If the issue cannot be resolved informally, the employee can [raise a grievance](#). This is where the employee makes a formal complaint to their employer.

Making a legal claim

An employee might not be able to resolve non-payment of expenses informally or through a grievance. In this situation, they might be able to make a legal claim.

This will depend on whether their contract says they're entitled to expenses. If it does, the employee could make a claim for breach of contract.

Making a county court or sheriff court claim

If the employee is still working for the employer, they can make a breach of contract claim:

- in the county court in England and Wales
- in the sheriff court in Scotland

In the county court, the time limit is up to 6 years from the date of the breach to make a claim.

The time limit for breach of contract in a sheriff court is 5 years from the date the employee had knowledge of the loss.

If an employee wants to make a county court or sheriff court claim, they should [get legal advice](#) to understand what will be involved.

Making a claim to an employment tribunal

If their employment has ended, an employee might be able to make a claim to an employment tribunal for breach of contract.

If they are still working for the employer, employees cannot make a claim to an employment tribunal for breach of contract.

There are strict time limits for making a claim to an employment tribunal. Employees have 3 months minus 1 day from the date their employment ended to make a claim.

Find out more about:

- making a claim to an [employment tribunal](#)
- [employment tribunal time limits](#)