

Detached Duty

Postings and Transfers

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Detached Duty Postings

Overview

This section describes the policy and procedures for obtaining and undertaking a detached duty posting.

Detached duty occurs when a member of staff is posted to a temporary workplace for a period of three months or longer (normally up to two years), and the member of staff continues to pay for accommodation expenses at home.

This section covers:

- applying for a detached duty posting
- allowances and expenses associated with a detached duty posting
- Inland Revenue tax rules associated with detached duty payments
- a summary of circumstances when detached duty does not apply.

Audience

This section applies to UK-appointed staff undertaking a detached duty posting in the UK. The principles may be applied to staff on other kinds of contracts, if there is a need for a detached duty posting.

Policy

Staff working in the UK are expected to work in a permanent workplace which is relatively close to their home. For example, colleagues living in or within commuting distance of London work in Spring Gardens as their permanent workplace. Within the British Council, it is of course possible to apply for jobs in a different and new location, but successful appointment to such a job does not necessarily mean that detached duty terms will apply. Staff should therefore consider this carefully when applying for jobs in a location which is not near their permanent workplace. This applies whether the member of staff is already based in the UK, or is applying from an overseas location for a job in the UK.

Detached duty benefits recompense the member of staff for the cost of the temporary accommodation in the temporary workplace. Payments are made in line with Inland Revenue tax rules, and the aim is to ensure the member of staff is not out of pocket. Detached duty benefits are costly for the British Council to provide, and approval will only be given to exceptionally strong business cases. "Best person for the job" is not in itself a strong enough business case. There would need to be a clear demonstration that no one else normally located in the temporary workplace could do the job, perhaps because of a specialist skills requirement. There also needs to be a clear explanation, along with a cost benefits analysis, of why the job cannot be done in the member of staff's normal and permanent workplace.

In all cases where the posting to a new and different location is substantive and expected to last at least two or three years, the British Council will normally offer relocation benefits, not detached duty.

It is important to understand the difference between a temporary workplace and the permanent workplace:

- A **temporary workplace** is a location where the member of staff is required by the British Council to work on a temporary basis, with an expectation of returning to the permanent workplace afterwards. This includes postings arranged by managers for business reasons, and postings resulting from the member of staff applying for the job. A temporary workplace in which a member of staff is working for personal reasons does not qualify for detached duty.
- The **permanent workplace** is the location to which the member of staff was originally recruited when joining British Council, provided he or she is still working in that

location. The permanent workplace will change if the member of staff relocates to another British Council office (see Relocations).

- For **UK-appointed** staff posted overseas, the permanent workplace in the UK is the place to which they were originally recruited and where they have normally worked, unless they have subsequently relocated.

In a few cases staff are recruited to the British Council's 'overseas service'. As it is necessary for a permanent workplace to be defined when considering requests for detached duty, the default permanent workplace in the UK for such staff is London. Detached duty postings cannot be agreed for UK-appointed staff posted to London after an overseas posting unless their permanent workplace can clearly be established to be elsewhere, for example, Manchester.

When relocation may be more appropriate

Staff about to go on longer term posting (at least two or three years) to a temporary workplace will normally be offered relocation benefits. This is useful if, long term, they think the types of jobs most suitable for them are likely to be in their new temporary workplace, so that they may need to stay there longer than originally planned. The temporary workplace will become the new permanent workplace for the member of staff if they relocate there.

After three years of being based at the new permanent workplace, it may be possible for the member of staff to apply to relocate back to the previous or another permanent workplace, because he or she is required by the British Council to work there. For information about relocation benefits, see Relocations (Internal).

Allowances and Expenses for Detached Duty

Overview

This section describes the policy and procedures associated with the allowances and expenses for a detached duty posting.

Audience

This section applies to UK-appointed staff undertaking a detached duty posting in the UK. The principles may be applied to staff on other kinds of contracts, if there is a need for a detached duty posting.

Responsibilities

The procedures are carried out by:

- the member of staff applying for detached duty
- the line manager of the member of staff applying for detached duty
- HR Services
- HR Pay and Employment Relations (HR PER).

Guidance / Procedures

Detached duty payments

The following expenses may be claimed, according to individual circumstances:

- reimbursement of rent for the temporary accommodation, up to a ceiling of £1000 a month
- reimbursement of local council tax for the temporary accommodation
- reimbursement of standing charges for gas, water and electricity bills in the temporary accommodation, if the member of staff's partner or spouse remains in the permanent

home

- removal expenses up to a ceiling of £500, reimbursed against receipts at the beginning of the posting, and if the member of staff returns to the original permanent workplace, at the end of posting too
- the cost of up to two return journeys a month for the member of staff to visit their partner/spouse and family if they remain in the permanent home.

The following expenses may not be claimed:

- the cost of television licences in the temporary accommodation
- accommodation, PIE and meal expenses when on business travel in the permanent workplace or near the permanent home. For example, someone based in London and on detached duty in Manchester, may not claim accommodation, PIE and meal expenses when on business travel to London. They are expected in these circumstances to stay in their own home and if they cannot do this because they have let out their home, then the income from such rental is deemed to be sufficient to cover temporary hotel and meal expenses. The British Council currently does not have a policy of offsetting rental income against reimbursement of detached duty expenses.

A summary of what may not be claimed is given in *Circumstances When Detached Duty Does Not Apply*.

London Market Allowance

Eligibility for this allowance does not change when a member of staff goes on a detached duty posting, because it is relevant to the permanent workplace. A member of staff who is based in London and goes on detached duty elsewhere continues to receive London Market Allowance during detached duty. A member of staff not based in London who goes on detached duty to London will not receive London Market Allowance during detached duty. If however a member of staff subsequently relocates to the temporary location so that it becomes the new permanent location, eligibility for London Market Allowance will change. This means that the allowance will be stopped for staff who relocate outside London, and it will be started for staff who relocate to London. This payroll action is undertaken by the HR Services. The effective date will be notified by HR PER.

Claiming detached duty payments

The member of staff is informed by HR PER at the approval stage to whom to send the detached duty payment claims. Payroll Services administers these payments because the costs are charged to post.

All claims must be backed by receipts. The normal procedure for reimbursement of monthly rent is for an automatic payment to be set up on payroll. This can only be done once the member of staff has sent the signed lease agreement to Payroll Services. The automatic payments will not last beyond either the term of the lease or the approved end date of the detached duty posting. All other claims will be reimbursed on an ad hoc basis on production of receipts.

Inland Revenue Tax Rules for Detached Duty Payments

Overview

This section gives guidelines on the taxation rules associated with detached duty payments.

Audience

This section applies to UK-appointed staff undertaking a detached duty posting in the UK. The principles may be applied to staff on other kinds of contracts, if there is a need for a detached duty posting.

Responsibilities

The guidelines are to be read by:

- the member of staff applying for detached duty
- the line manager of the member of staff applying for detached duty
- HR Services
- HR Pay and Employment Relations (HR PER).

Guidance

- In the UK the British Council has a policy of reimbursing expenses, wherever possible, in line with the Inland Revenue's rules governing tax free payments of such expenses. Detached duty payments are tax-free if the posting is expected to last two years or less.

Wherever possible, the length of a detached duty posting should not exceed two years. The taxation rules are based on the expectation of the length of posting, so that :

- detached duty payments are tax-free if the posting is expected to last two years or less
 - where, for genuine business reasons, the posting is expected to last more than two years, the detached duty benefits will be taxable from the beginning, and for the duration, of the posting, and not from the third year onwards
 - if a detached duty posting is expected to last for less than two years, but this is later extended beyond the two year threshold, the benefits will become taxable as soon as the extension has been agreed, even if two years have not passed.
- If the detached duty is, or becomes, taxable, the British Council will bear the cost of the tax on behalf of the member of staff.

Other possible consequences of detached duty as a result of UK tax rules

- Staff on detached duty should be aware that detached duty payments are classified as earned income by the Inland Revenue, rather than reimbursement of expenses claims. This means that detached duty payments are included in the end of year P60 earnings figures, and so can make earnings appear artificially high.
- Detached duty payments could have the effect of raising the tax band for a member of staff from standard rate tax to higher rate tax, and this in turn could affect things like applications to local education authorities for student loans and funding for university tuition fees. Detached duty staff who wish to know more about this should contact Payroll Services for more information and advice.
- The British Council will not compensate for any loss of benefit or entitlement by a member of staff as a result of detached duty payments.

Summary of Exclusions for Detached Duty

Overview

This section summarises the situations when detached duty benefits may not be claimed.

Audience

This section applies to UK-appointed staff undertaking a detached duty posting in the UK. The principles may be applied to staff on other kinds of contracts, if there is a need for a detached duty posting.

Responsibilities

This guidance is to be read by:

- the member of staff applying for detached duty
- the line manager of the member of staff applying for detached duty
- HR Services
- HR Pay and Employment Relations (HR PER).

Circumstances When Detached Duty Does Not Apply

- Detached duty may not be claimed if the member of staff or their partner has a home in the location of the temporary workplace.
- Hotel, meal allowances and personal incidental expenses (PIE) may not be claimed when on business travel to the location of the permanent workplace. Exceptions to this rule may occur when, if the member of staff had not otherwise been on detached duty, he or she would have been able to make a claim in line with other staff permanently based in the member of staff's permanent workplace. For example, a member of staff on detached duty to Manchester and based in London, goes to London to attend a three-day workshop just outside the London area. Lunches are not provided, and may be claimed by the member of staff because under British Council's policy for travel and expenses (see Travel and Expenses) London-based staff would be able to make such claims.
- Staff who do not own a home are not eligible for detached duty. Exceptions to this rule may occur when the detached duty posting is for a very short time, for example a few months, and it would not be reasonable to expect the member of staff to give up the rent on their home, and have to find a new home at the end of the posting.
- Mortgage payments will not be reimbursed instead of rent payments. If detached duty staff wish to buy a home in the temporary workplace location, they should consider applying for relocation benefits.
- Detached duty is not payable if the member of staff is working in a temporary workplace for personal reasons.
- If a job is advertised as being possible to be done in more than one location, or more than one possible location is stated in the job description, and the member of staff is based in one of these locations but chooses to work in one of the other locations, detached duty benefits are not payable.
- If a member of staff on detached duty successfully applies for another job in the temporary workplace, detached duty will end from the start date of the new posting. They may apply for relocation benefits instead.
- If the member of staff sells the home in the permanent workplace location, detached duty payments will be stopped immediately unless the member of staff has bought a new property in the same location at the same time as selling the old property. The

applicable dates are dates of completion for both the sale and purchase of the old and new properties; any gap between these dates will temporarily invalidate the detached duty status. The member of staff must inform HR PER of any house moves or changes to home ownership status.

- Detached duty benefits are not payable if the member of staff stays in accommodation owned by family in the temporary workplace location.