

# Working from Home Fact Sheet

Applicable from 1 July 2024 to 30 June 2025 |

## Overview of ATO Rules on Working from Home

The ATO provides specific guidance on how you can claim deductions for expenses incurred while working from home. The rules are updated each year, so this fact sheet refers to the conditions applicable for the 2024–2025 financial year.

The main methods allowed for claiming WFH deductions are:

- Fixed Rate Method
- Actual Cost Method

### The Fixed Rate Method (67 cents per hour)

The ATO allows individuals to claim a fixed rate of 67 cents per hour worked from home. This method covers the following running expenses:

- Electricity and gas (lighting, heating, cooling, etc.)
- Internet expenses
- Mobile and home phone expenses
- Stationery and computer consumables (e.g., printer ink, paper)

Important: The fixed rate does not cover the depreciation of home office furniture and equipment or the cost of repairs to such items, which may be claimed separately.

To use this method, you must:

- Be working from home to fulfil your employment duties (not just for minimal tasks like checking emails occasionally)
- Incur additional running expenses as a result of working from home
- Keep a record of the actual hours worked from home for the entire year (e.g., timesheets, rosters, or a diary)

## The Actual Cost Method

This method allows you to claim the actual additional expenses incurred as a direct result of working from home. You can claim a portion of:

- Electricity and gas (based on actual usage and work area proportion)
- Phone and internet costs (apportioned for work use)
- Depreciation on office furniture, computers, and other equipment (based on work-related use percentage)
- Cleaning expenses for your dedicated work area
- Stationery and consumables

To use this method, you must:

- Keep detailed records and evidence of all expenses and calculations
- Be able to demonstrate the work-related portion of each expense
- Maintain records for five years

## Eligibility Criteria

To claim WFH deductions under ATO rules:

- You must be working from home to fulfil your employment or self-employment duties
- You must incur additional expenses as a result of working from home
- The expenses must be directly related to your income-earning activities
- You must have records to substantiate your claim

*Note: Minimal tasks such as occasionally checking emails or answering phone calls from home do not generally qualify.*

## What Can and Cannot Be Claimed

### Can Be Claimed

- Running expenses (electricity, gas, internet, phone)
- Office stationery and consumables
- Cleaning expenses (if you have a dedicated work area)
- Decline in value (depreciation) of office furniture and equipment
- Repairs to office furniture and equipment

### Cannot Be Claimed

- Occupancy expenses such as rent, mortgage interest, or council rates (unless your home is your principal place of business and you meet strict criteria)
- Personal expenses (e.g., coffee, tea, personal mobile phone use)
- Expenses not incurred as a result of working from home (e.g., household cleaning, unless for the dedicated work area)

### Record Keeping Requirements

#### For Fixed Rate Method:

Keep a record of the hours worked from home throughout the year (e.g., a digital log, timesheet, or diary)

Keep at least one document for each kind of expense covered by the rate (e.g., power bill, internet receipt)

#### For Actual Cost Method:

Keep evidence for every expense claimed, including receipts, bills, and how you calculated the work-related portion

- Keep records for a minimum of five years after lodging your tax return

### Common Questions

Q: Do you need a dedicated home office?

*A: Not for the fixed rate method, but you do if claiming certain expenses under the actual cost method (e.g., cleaning, decline in value of furniture).*

Q: Can you claim rent or mortgage expenses?

*A: Only if your home is your principal place of business, not if you're simply working from home. Strict criteria apply and capital gains tax implications may apply.*

Q: What happens if you work partly from the office?

*A: You can claim only for the hours actually worked from home, not days spent at the office or elsewhere.*

### Changes from Previous Years

- The shortcut (80 cents per hour) method, introduced as a temporary COVID-19 measure, is no longer available.
- The fixed rate method (67 cents) continues to include a broader range of running expenses but excludes depreciation on assets and office furniture, which must be claimed separately.
- Detailed record keeping is required for either method. Estimates or short-term representative diaries are insufficient for the 2024–2025 financial year.

### Disclaimer

The information in this fact sheet is for general guidance only and does not replace professional tax advice. The ATO updates rules and interpretations regularly; always consult the ATO website or a registered tax professional before lodging your tax return.