



**Norland
Know-Hows**

**Self-employment
guidance**

Self-employment guidance

What taxes will I need to pay? How do I pay National Insurance? Who do I tell? These are just a few of the questions that it's useful to know the answer to.

What taxes do I pay?

National Insurance and income tax, the same as everyone else, but the main difference is that you tell HMRC (the tax people) once a year how much you've earned, and they tell you how much to pay them. This could also include any student loan repayments. You don't pay any more than your friends who are employed, and you can actually claim back expenses that they can't – for example, your phone contract and a proportion of your rent/bills if you work from home.

Where must I register?

To work as self-employed, you must register with HMRC – [gov.uk/log-in-file-self-assessment-tax-return/register-if-youre-self-employed](https://www.gov.uk/log-in-file-self-assessment-tax-return/register-if-youre-self-employed)

What records do I keep?

It is recommended that you keep hold of every receipt and invoice as part of your records. You might find it helpful to open a separate bank account and even take out a separate credit card for work purposes. It helps separate business expenditure and income from personal. Remember to put savings aside for your tax bill at the end of the year – it is recommended that you put aside around 25 per cent of income for taxes.

There are a lot of great apps that you could use for this.

When do I submit a tax return?

After every tax year end. The tax year runs from 6 April to 5 April the following year. The absolute deadline to file your return and pay any monies due is 31 January of the year following the tax year end.

Insurance

- You will need nanny insurance, which should include professional indemnity.
- You will need travel insurance if working abroad.
- You will need car insurance if using your car for work.
- You are strongly advised to get income protection insurance, in case you are unable to work due to injury or illness.

How do I invoice people?

| From : | INVOICE | | | | | | | | | | |
|---|--|------------------------|------------|-----------------|------------|---------------------|---|--|--|--|--|
| To: | Invoice Date: Invoice Number: Client Reference: Purchase Order: DUE DATE: | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d9e1f2;"> <th style="width: 40%;">Description</th> <th style="width: 10%;">Quantity</th> <th style="width: 10%;">Unit</th> <th style="width: 20%;">Unit Price</th> <th style="width: 20%;">Total</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | Description | Quantity | Unit | Unit Price | Total | | | | | |
| Description | Quantity | Unit | Unit Price | Total | | | | | | | |
| | | | | | | | | | | | |
| <table style="margin-left: auto;"> <tr> <td>Sub Total</td> <td style="text-align: right;">£</td> </tr> <tr> <td>Discount</td> <td style="text-align: right;">£</td> </tr> <tr> <td>TOTAL AMOUNT</td> <td style="text-align: right;">£</td> </tr> </table> | | Sub Total | £ | Discount | £ | TOTAL AMOUNT | £ | | | | |
| Sub Total | £ | | | | | | | | | | |
| Discount | £ | | | | | | | | | | |
| TOTAL AMOUNT | £ | | | | | | | | | | |
| Registered Address | Contact Information | Payment Details | | | | | | | | | |
| | Name: | Bank Name | | | | | | | | | |
| | Phone: | Sort Code | | | | | | | | | |
| | Email: | Account Number | | | | | | | | | |
| | Website: | | | | | | | | | | |

An invoice is a document that stipulates the work done, the amount owed and when/how you should be paid. You should send one for each agreed invoicing stage (which might just be after each day or week of work done). It is very common nowadays to just send these electronically via email, but make sure you get the right email address. Please contact the agency team for an invoice template if this is useful.

What should be included in the invoice?

- Your name and address
- Your invoice reference – this should be unique on every invoice you send
- Your contact details (phone/email)
- A description of the service provided, including the dates and hours worked
- The total to pay
- The date of the invoice
- The date you expect to be paid
- The details of how to pay you (usually your bank account name, sort code and account number)

Remember to try to send your invoices as a PDF. Keep a record of the sent invoices and whether you've been paid or not – chase them up if you haven't been paid within the time frame stipulated on your invoice.

What are expenses?

They're all the things that you buy in the course of operating your business' as a self-employed creative. That could include work-specific clothing items, pens, ink, computer software, some meals while travelling for work, and of course transportation. HMRC has a pretty good guide to what is allowable on its website.

Remember, keep a record of all your expenses. Save your receipts (digital and physical) so that you can add up your allowable expenses at the end of the year to include on your tax return.

What are the risks of being self-employed?

While there are many benefits to being self-employed, there are other things to consider. You will not be entitled to any employee benefits, including sick pay or annual leave. As a self-employed nanny, you will only be paid for the work you have undertaken. Consequently, there is a risk that if the family circumstances change, you will not have the same job security/guaranteed payment as an employee would.

HMRC will only class you as self-employed if you undertake short-term bookings for several families. You cannot accept a permanent position on a self-employed basis. HMRC will deem you as a worker/employee.

You will not be eligible for statutory maternity pay as a self-employed person.

You will need to make your own provision for your pension.

This information is intended to provide guidance only. It is not exhaustive and should not be seen as a substitute for updating or enhancing your knowledge by completing training or a CPD course on the subject.