



Employed or self-employed for tax and National Insurance contributions

This factsheet is about your employment status, a term we use to mean whether you're employed or self-employed. It will help you check that your employment status is right.

It will also help you understand the importance of employment status, as it affects the type of tax and National Insurance contributions (NICs) you pay and how you pay it. It affects your entitlement to benefits and may affect your employment rights.

If you need help

If you have any health or personal circumstances that may make it difficult for you to deal with this check, please tell the officer that's contacted you. We'll help you in whatever way we can.

You can also ask someone else to deal with us on your behalf, for example, a professional adviser, friend or relative. We may however still need to talk or write to you directly about some things. If we need to write to you, we'll send a copy to the person you've asked us to deal with. If we need to talk to you, they can be with you when we do, if you prefer.

Your employment status is not a matter of choice

Your employment status is based on the terms and conditions of the agreement you have with who you work for. They're responsible for making sure it's right.

Employment status and the law

The law for tax, NICs and VAT does not define employment or self-employment. Generally, when we look at employment status, we apply the principles established by the courts. These principles are generally referred to as case law.

However, there are some special rules that do not follow case law principles, and apply to certain occupations and jobs. Some apply to tax, some to NICs and some to both, if:

- your work is arranged through an agency
- you're
 - a company director
 - the secretary of a club or hold any other office, in relation to your earnings from that office
 - an office cleaner
 - a minister of religion
 - an examiner, moderator or invigilator of an examining board
 - a deep sea diver
- you work for someone in your family

For more information about special rules, go to www.hmrc.gov.uk/employment-status

Special rules also apply if you're a non-permanent, casual or freelance worker of a specified grade in the film or TV industry.

For film industry enquiries, contact the Film, TV and Production Unit:

- phone 0300 123 2326 (option 1)
open from 8.30am to 4.30pm, Monday to Friday (closed bank holidays)
- e-mail a.filmproductionunitmailbox@hmrc.gsi.gov.uk

For TV broadcasting and radio enquiries, phone:

- TV and Radio Industry Unit on 0300 123 2326 (option 1)
open from 8.30am to 4.30pm, Monday to Friday (closed bank holidays)

Working through a company or partnership

You may choose, or be advised, to provide your services through a company or partnership. If you provide your services in this way, then you'll need to know whether the Intermediaries Legislation (also known as IR35) or Managed Service Company Legislation applies.

For information on Intermediaries Legislation (IR35):

- go to www.hmrc.gov.uk/ir35
- phone the IR35 Helpline on 0300 123 2326 - open from 8.30am to 4.30pm, Monday to Friday (closed weekends and bank holidays)

For information on Managed Service Company Legislation:

- go to www.hmrc.gov.uk/employment-status/msc.htm
- phone the Service Company Unit on 03000 586 981 - open from 8.30am to 4.30pm, Monday to Friday (closed weekends and bank holidays)

Checking your employment status

In most cases, your employment status will be straightforward. In general terms, you're:

- employed if you work for someone and do not have the risks of running the business
- self-employed if you're in business for yourself and are responsible for the success or failure of that business

To help you check your employment status, answer the following questions. These questions also apply if you're a casual or part-time worker. If you have more than one job, the same questions apply for each job.

Employed - if you answer yes to most of the questions you're likely to be employed:

- do you have to do the work yourself?
- can someone tell you where to work, when to work, how to work or what to do?
- can someone move you from task to task?
- do you have to work a set number of hours?
- are you paid a regular wage or salary?
- can you get overtime pay or bonus payments?
- are you responsible for managing anyone else employed by the person or company that you're working for?

Self-employed - if you answer yes to one or more of these questions, you're likely to be self-employed:

- can you hire someone to do the work, or take on helpers at your own expense?
- can you decide where to provide the services of the job, when to work, how to work and what to do?
- can you make a loss as well as a profit?
- do you agree to do a job for a fixed price regardless of how long the job may take?

If you cannot answer yes to any of the questions above, you are still likely to be self-employed if most of your answers to the following questions are yes:

- do you risk your own money?
- do you provide the main items of equipment (not the tools that many employees provide for themselves) needed to do the job?
- do you regularly work for a number of different people and require business set up in order to do so?
- do you have to correct unsatisfactory work in your own time and at your own expense?

Check Employment Status for Tax (CEST)

The questions in the previous section are general and may not cover your situation. If this is the case then our online CEST tool may help you.

You can use this tool to get a view of your employment status for the purposes of tax and NICs. It's free, easy to use and will help you work out whether you're employed or self-employed in all but the most complex of cases. For more information, go to www.gov.uk/guidance/check-employment-status-for-tax

If you have more than one job

It's possible that you could be employed and self-employed at the same time. For example, you could be employed as a part-time shop assistant and spend the rest of your time running your own business, or work full-time as an employee and run your own part-time business in the evenings and weekends.

Why employment status is so important

Your employment status affects the type of tax and NICs you pay and how you pay them. If you're employed, your employer will collect tax and NICs from your wage or salary and pay it to us.

If you're self-employed, you must register as self-employed with us and pay tax and NICs to us. You may also need to register for VAT.

For more information:

- go to www.hmrc.gov.uk/vat/index.htm
- phone the VAT Helpline on 0300 200 3700
open from 8am to 6pm, Monday to Friday (closed weekends and bank holidays)

To register as self-employed:

- go to www.hmrc.gov.uk/selfemployed/index.shtml
- phone the Self-Employed helpline on 0300 200 3500
open from 8am to 8pm, Monday to Friday and 8am to 4pm, Saturday (closed Sundays and bank holidays)

For customers who are deaf or speech or hearing impaired, phone 0300 200 3519 (textphone).

Your entitlement to benefits and employment rights

Your employment status affects your entitlement to benefits and may affect your employment rights. Although the case law tests for employment status apply equally to employment law, the fact that you're regarded as employed or self-employed for tax, NICs and VAT purposes does not necessarily mean your employment status is automatically the same for other purposes.

For information on benefits, go to www.gov.uk/dwp

For information on employment rights, go to www.gov.uk/browse/working

General information

Customers with particular needs

Go to www.gov.uk/dealing-hmrc-additional-needs or phone our helplines for a range of services such as:

- wheelchair access to nearly all appointment venues
- help with filling in forms
- BT Typetalk and induction loops which are available for people with hearing difficulties

We can arrange additional support such as:

- the services of an interpreter
- sign language interpretation
- leaflets in Braille, audio and large print

Information about employment status for tax, NICs and VAT:

For more information

- phone the Employment Status Customer Service Team for tax and NICs
on 03000 123 2326, open from 9am to 4.30pm, Monday to Friday
(closed weekends and bank holidays)
- phone the VAT Helpline
on 0300 200 3700, open from 8am to 6pm, Monday to Friday
(closed weekends and bank holidays)

Non-UK nationals

If you are a non-UK national, there might be certain restrictions on how you work in the UK. For more information, go to www.gov.uk/government/organisations/uk-visas-and-immigration

Putting things right

If you're unhappy with HMRC's service, please contact the person or office you have been dealing with. They'll try to put things right.

If you're still unhappy, find out how to complain to HMRC. Go to www.gov.uk/guidance/complain-to-hm-revenue-and-customs

If there's anything about your health or personal circumstances that may make it difficult for you to deal with this matter, please tell the person you've been dealing with. Telling them will mean that they can help you in the most appropriate way.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.