

INFORMATION SHEET

EMPLOYMENT STATUS OF CARERS

If you wish to use self-employed carers, you should consider the following information:

Many carers claim self-employed status however, the H.M. Revenue & Customs (HMRC) may not agree that they are self-employed in their working relationship with you.

It is your responsibility to ensure the worker is contracted correctly, whether this be employed or self-employed, and this can be different for each job they do.

We have found HMRC often consider most carers to be employed rather than self-employed. If they do so, then HMRC could hold you liable if there is a shortfall in tax or national insurance paid by the carer.

In order to determine whether someone is self-employed, certain criteria have to apply or it will be classed as employment. And it is not down to the person to decide as it is an HMRC decision.

Employment status is important because it affects the type of tax and National Insurance contributions that are paid. If you have a computer and access to the internet you might find the following guide helpful:-

http://disabilitytaxguide.org.uk/files/2.Tax_employment_status_FINAL_2015.16.pdf

If you don't have computer access, please contact us on 0300 1233 442 and we'll send you a copy.

Therefore, we strongly recommend that you seek guidance from an HMRC Status Inspector which could be done along the lines of: 'I am thinking about using someone who

Alternatively, you may like to go online and use the HMRC Employment Status Indicator by clicking on this link <https://www.gov.uk/employment-status-indicator> to help you determine whether the role being carried out is considered an employed or self-employed position.

If the indicator tool indicates the PA can be self-employed then we advise that you :-

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- Keep a printout from the indicator tool showing the self-employed status
- Ask your carers to show proof of their own liability insurance – public liability cover is a minimum; a copy of this should also be kept for your records.
- Ensure that there is something in writing that states the nature of the service being supplied by the carer including the fact that they will be responsible for invoicing you for their support costs (i.e. their wages and their own tax and national insurance). They should also have a Unique Taxpayers reference for tax self-assessment. We advise that they show you evidence of this

If you complete the Employment Status Indicator, then the result is considered binding. However, if the carer fills this in, the status is only considered an indication.

Providing the above steps are taken and evidence kept, then you should not be held liable for tax if you have made a wrong decision.

People can be self-employed and employed.

If you engage someone who is self-employed you are not in control of services supplied.

If you chose to employ the person Wiltshire Council will pay for employer's and public liability insurance. The Council will not pay for this if the person is self-employed.

If you have any queries about the information provided
or you would like further information, please contact the DP Adviser Team
at Wiltshire Centre for Independent Living
on 0300 1233442 or admin@wiltshirecil.org.uk.