**Human Resources information and guidance - top ten tips**

**Fact Sheet Two: Employment Status**

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| **What is the difference between self employed and employment contracts?** | |
| Tip one | What you need to know! In employment law a person’s employment status helps determine what an employer’s responsibilities are (and for the employee what their rights are). | |
| Tip two | Check out the differences! There are three categories of those in paid jobs. They may be classified as a `worker’ or an employee; or they may be self employed. | |
| Tip three | Check the status of the role! For example is it a permanent role, or a fixed term role, is it full time or part time. Once you know this you will be able to calculate leave and pay. | |
| Tip four | Check if your applicant is genuinely working on their own account and self employed!  It is much more likely that people will be an employee so always do the HMRC or govt check before you agree anything: <https://www.gov.uk/guidance/check-employment-status-for-tax> | |
| Tip five | Check your statutory minimums! All employees whether permanent, fixed term, full or part time are entitled to at least the statutory minimum for salary, pension. (As well as a wide range of employment rights. <https://www.gov.uk/employment-status/employee>). | |
| Tip six | If your applicant can show they are genuinely self employed they should work to a contract FOR service (rather than an employment contract which is a contract OF service) and they submit regular invoices. | |
| Tip seven | Don’t pay cash in hand and do not `roll up’ holiday pay, so always check that employees take their annual leave – the only time you can pay for it is where their employment ends, and there is accrued but untaken leave to pay for. | |
| Tip eight | Does your person have a p45? If they haven’t they may need to complete a new starter checklist (p46) <https://www.theaccountancy.co.uk/payroll/the-new-starter-checklist-has-replaced-form-p46-14786.html> | |
| Tip nine | Do they have another job ? Sometimes an employee might have another part time role which is continuing, so will need to designate one employer for their main deductions. | |
| Tip ten | Other useful information/websites:  <https://www.gov.uk/employment-status/employee>  <https://www.gov.uk/contact-hmrc> | |