



HM Revenue
& Customs

Are you thinking of working for yourself?

We'll show you
how to get things moving
where to get help
how to register your business

Well done

You have already tackled the two hardest parts of starting out on your own: getting an idea and making the decision to actually do it. Now it's time to think about the paperwork. That's where we come in, and we think you'll be surprised at how simple it can be.

First things first

Get registered

Everyone starting out on their own needs to register with HM Revenue & Customs. It's quick, it's painless and it can definitely save you time and money. You must do this as soon as you start or within the first three months, even if you already use a Self Assessment tax return. There are penalties for not registering, so fill in the form at the back of this leaflet and send it to us right away. There's the Helpline for the Newly Self-Employed if you have any problems. And if you're unemployed at the moment, don't forget to tell the Jobcentre.

Helpline for the Newly Self-Employed
08459 15 45 15

If you're not sure whether you qualify as self-employed, leaflet IR56 *Employed or self-employed?* explains the difference, or use the Helpline.

Leaflet IR56
Employed or self-employed?
www.hmrc.gov.uk/pdfs/ir56.pdf

As soon as you register, we'll send you *The Guide*, a book designed specifically for the newly self-employed that tackles all the major issues like tax, National Insurance and record keeping.

Register now

Fill in the form at the back of this leaflet and send it to us right away.

Q&A

How do I pay my tax?

You fill in a Self Assessment tax return each year. There are sections on income and expenses, plus you can claim allowances and reliefs. We use this information to work out how much tax and National Insurance you need to pay. The online version is quick and secure, and it shows you the figures straight away. You can find out more about Self Assessment in The Guide, on our website, or you can call the Helpline.

Relevant website
www.hmrc.gov.uk/sa

Self Assessment Helpline
0845 9000 444

What about VAT?

You don't have to register for VAT until your taxable turnover reaches **£64,000**, but there's plenty of advice available when it does. For more information, see The Guide, visit our website or call the National Advice Service.

Relevant website
www.hmrc.gov.uk

National Advice Service
0845 010 9000

How does National Insurance work?

There are two types of National Insurance for self employed people **Class 2**, which is a fixed weekly amount, and **Class 4**, which is a percentage of your taxable profits. We collect Class 2 by monthly direct debit or quarterly bill there's a form attached to this leaflet for you to fill in. You include Class 4 on your tax return. There's more about National Insurance in The Guide, on the website, or you can call the Self Employment Contact Centre.

Relevant website
www.hmrc.gov.uk/nic

Self Employment Contact Centre
08459 15 46 55

A few questions taken from The Guide that you might already be asking yourself.

What if I work in the construction industry?

To help contractors and subcontractors pay the right amount of tax and National Insurance, we have set up the Construction Industry Scheme. Under the Scheme, all payments made from contractors to subcontractors must take account of the subcontractor's tax status as determined by HM Revenue & Customs. See The Guide or visit the website for more information.

Relevant website
www.hmrc.gov.uk/cis

What records must I keep?

It's all about making things easier for yourself. The law says you must keep appropriate records – also, you would find it difficult to fill in your Self Assessment tax return without them. Bank statements, receipts and cash transaction records are all vital for working out your profits for the year – and we use this information to calculate your tax and National Insurance. There's more about records in The Guide but, for now, make sure you keep everything for at least five years.

Do I get tax credits?

Self employed people can claim tax credits, depending on their income level and circumstances. Plus, there are some additional tax reliefs specifically designed for new businesses. See The Guide for more information or visit the website to see if you qualify.

Relevant website
www.hmrc.gov.uk/taxcredits

**Register now and get the ball rolling
on your self-employed career**
Fill in this form and send it to us right away.

Useful contacts

Newly Self-Employed

www.hmrc.gov.uk/startingup

Helpline for the Newly Self-Employed

08459 15 45 15

Self Assessment

www.hmrc.gov.uk/sa

Self Assessment Helpline

0845 9000 444

National Insurance

www.hmrc.gov.uk/nic

Self-Employment Contact Centre

08459 15 46 55

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

Issued by HM Revenue & Customs
Communications and Marketing
May 2007
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Printed by Astron 05/07 NSC Code R2P 6409

You must tell us when you start working for yourself - that is, when you become self-employed. The easiest way is to call the Helpline for the Newly Self-Employed on **0845 9 15 45 15**.

This form details the information you must give to the operator. You can also fill in the form and post it to us at the address shown overleaf.

If you delay telling us you are self-employed for three months or more you may have to pay a penalty of £100. If you know you are registering late, please tell us the reason for the delay in the 'Additional Information' box overleaf. You must complete this form in capital letters.

i Take particular care to complete the questions with this symbol.

For official use only
System Action Complete

NIRS

TBS

SA

About You

Title - enter Mr, Mrs, Miss, Ms, or other title

Surname

First name(s)

i Your date of birth (DD MM YYYY)

Previous surname (if applicable)

Date of name change (DD MM YYYY)

i Your National Insurance number

If you do not have a National Insurance number please tick the box

If you were previously self-employed please tell us your most recent tax reference. It will be the ten digit reference (the UTR) in the top left-hand corner on page 1 of your Tax Return.

Your address

Your contact phone number

If you are not a UK resident, and have come to the UK from abroad within the last 12 months, please tick this box

About Your business

i When did you start working for yourself? (DD MM YYYY)

i What sort of self-employed work do you do?

If you intend working as a sub-contractor in the Construction Industry you must be registered with the HM Revenue & Customs Construction Industry scheme. To find out how to do this phone the CIS Helpline on **0845 366 7899**.

Please tick this box if you are a Share Fisherman (see leaflet CA11 for further information)

Please tick this box if you are on the New Deal 25+ scheme

What is the name of your business?

Business address

Your business phone number if different from contact number

What is your position in the business? For example, sole trader, partner

Do you have any business partners?

No Yes

If you have business partners they also must register.

Business partner's name

Business partner's National Insurance number

Your business continued

Business partner's address

If you have more than one partner please write their names, addresses and National Insurance numbers in the 'Additional information' box.

If you are joining an existing business partnership, please provide the partnership tax reference number.

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If you are going to do all the work for one person or firm, you may be an employee. For more information you can:

- phone the Self Assessment Helpline on **0845 9000 444** or
- visit any HM Revenue & Customs office.

If you are, or will be, doing all your work for one person or firm, please enter their name and address.

How to pay your Class 2 National Insurance contributions (NICs)

For tax year 2007-08 self-employed National Insurance contributions are £2.20 per week.

To arrange payment of your National Insurance contributions just fill in the Direct Debit mandate attached.

If you are unable to pay by Direct Debit we will arrange to send you a bill every 13 weeks. These will be issued in January, April, July and October.

If you expect your income from the business to be below £4,635 for the tax year 6 April 2007 to 5 April 2008 you may not have to pay National Insurance contributions.

If you would like more information on the Small Earnings Exception (SEE) tick the box.

Employing someone else

If you are thinking of taking someone on, or already employ someone else, please phone the New Employer's Helpline on **0845 607 0143** or tick the box and we will send you more information.

VAT

Please read the note about VAT in the attached leaflet. If you would like VAT 1 *Application for registration* form tick the box.

Starting up in business guide

Please tick the box if you would like us to send you a copy of 'Starting up in business' after you have registered. You can also find it at www.hmrc.gov.uk/startingup

Signed

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Date (DD MM YYYY)

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Additional information

Please send the completed form to:

National Insurance Contributions Office
Central Agent Authorisation Team
Longbenton
Newcastle upon Tyne
NE98 1ZZ

or take it to any HM Revenue & Customs office.

About Direct Debit

How to apply to pay by Direct Debit

Fill in the application form overleaf and send it to

National Insurance Contributions Office
Self Employment Services
Application Processing Centre
Longbenton
Newcastle upon Tyne
NE98 1ZZ.

We regret that the facility to pay by Direct Debit is not available to share fishermen. Our leaflet CA11 "National Insurance for share fishermen" gives more information.

How will payments be made?

The application form asks you if you wish to pay by Direct Debit from the start of your self-employment. In most cases this means that all contributions due from the start of your self-employment will be collected with the first payment from your Bank or Building Society.

If you do not wish to pay by Direct Debit from the start of your self-employment or we cannot arrange this, your Direct Debit will be started from a current date. We will then send you a separate bill for any contributions due from the start of your self-employment to the date your Direct Debit begins.

Although we act at once to set up your Direct Debit, it may take some weeks before the first National Insurance contributions are collected from your account. We will write to tell you when the first payment will be made. Please ensure that you have enough funds in your account to meet your first payment.

After that payments:

- will be made automatically for as long as you wish

and

- will normally be deducted from your account on the second Friday of each month

These payments will cover National Insurance contributions for either four or five weeks, depending on the number of Sundays in the preceding tax month. The tax month ends on the 5th of each month.

A regular check of your Bank/Building Society statements will reassure you that payments have been made correctly.

Direct Debit Application

The Direct Debit Guarantee



This guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society.

If the amounts to be paid or the payment dates change, the National Insurance Contributions Office will notify you 10 working days in advance of your account being debited or as otherwise agreed.

If an error is made by the National Insurance Contributions Office or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.

You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to us.