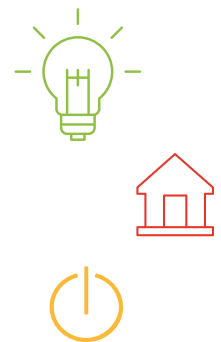


Complying with the law – Part 2

Quick Summary

- Being self-employed isn't simply just deciding to work solo one day. You need to register your type of employment which in turn affects your taxable income. Refusing to register your type of employment can have serious implications for you.
- Health and Safety and other policies are extremely important for any business owner that employs even just one employee. Injuries can happen at any time, and it's important to have safeguards in place to protect you, your employees and your customers from any danger.



Introduction

If you decide to go down the road of being self-employed, there are some important bits of information you need to know before doing so.

If you're self-employed, you pay Income Tax and National Insurance on what is known as 'taxable income'. Taxable income is mainly the profits you make from working for yourself (whether as a sole trader or partner). You pay tax not on the entire income of your business but on the difference between that income and what you spend on the business.

If you're a sole trader or a partner in a business partnership, you need to complete a Self-Assessment tax return. Before you can do this, you need to register for Self-Assessment with HM Revenue & Customs (HMRC). This is so that the correct tax and Class 2 National Insurance contribution records can be set up.

Once you've registered, HMRC will send you a Self-Assessment Unique Taxpayer Reference which you'll need to quote whenever you are in contact with them. The following April, HMRC will send you a Notice to complete a tax return.

The deadline by which a tax return must reach HMRC is different depending on whether you choose to send your tax return in on paper or online. If you choose to complete online you can use either the free HMRC service or commercially available software.



There are late filing penalties if you don't send your tax return in on time.

You may want to consider appointing an accountant or adviser to look after your tax affairs for you. The HMRC website will provide a form for you to do this.

To find out more, and to register, please visit <http://www.hmrc.gov.uk/sa/register.htm>

Health and Safety

Protecting businesses and employees

Most people 'switch off' when they hear the term health and safety, and often think it's simply a bit of red tape to get in your way. However, it is incredibly important that you do not ignore any aspect of the health and safety guidelines. Failure to do so might result in someone getting hurt, and the finger of blame being pointed at you. This could result in costly settlement payouts, or even a prison sentence. Both of these will have a negative effect on your business brand and name.

It's also important to keep in mind that health and safety involves the hygiene aspect. Take for example, having a restaurant business and you encountered a rodent problem. The negligence involved in letting this problem escalate would have a huge impact on your brand.

There is a legal responsibility from an employer or self-employed person for the health and safety of everyone affected by their business. This includes employees, subcontractors, visitors, customers and even members of the public affected by the products or services. There is also a responsibility for the environmental impact of the business.

Carrying out regular risk assessments is a key part of identifying and controlling health and safety and environmental hazards. Take a look at The Health & Safety Executive (HSE) as this website covers the basics: <http://www.hse.gov.uk/simple-health-safety/index.htm>
Video: **Work place health and safety rules and practices**

Below is a list of health and safety rules and practices that you should be implementing in your business.

- Adequate facilities for eating, resting, sanitation and first aid. See related documents for the HSE guides
- Display the Health & Safety Law poster – see the HSE site for further information
- A health and safety policy (a written policy for businesses with 5 or more employees) – see the HSE site page for examples and guidance
- Risk assessments - see the HSE site page for examples guidance
- Work equipment inspection records (required by law) - this includes lifting equipment, pressurised systems or local exhaust ventilation to control exposure to substances used at work – see the page on the HSE site on work equipment and machinery
- Written safe working methods and Records of health and safety training carried out

- A valid employers' liability insurance certificate – For further information on what a business needs to cover, click here: <http://www.hse.gov.uk/simple-health-safety/get.htm>
- A disaster recovery plan – Take a look at Factsheet 15: Business Continuity for more information on this plan.

Visit HSE's website www.hse.gov.uk/business to find out what help is available for your business. You may also find it helpful to discuss matters with your trade association.

Continue reading Part 3 of this factsheet where we explore licenses for your business.



Need more support?

Get in touch!

For more information visit www.businesslincolnshire.com where you can request support from one of our advisers by filling in the online contact form.

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