



PROFESSIONAL CARERS NETWORK

Championing Self Employed Carers

How To Register As Self Employed

*HERE'S A STEP BY STEP
GUIDE ON HOW TO
REGISTER AS SELF
EMPLOYED!*

*WE ARE HERE TO
CHAMPION YOU
THROUGH, EVERY STEP
OF THE WAY.*



Why I Care

I started my little care business in 2020 with my friend and we have been inundated with work ever since. We turn work away weekly and it can be so hard to say no to someone asking for help. But we are only a 2 man team so there is a limit to how much we can do!

So I have created the Professional Carers Network to help other carers take control of their career and find the joy of working for themselves delivering high quality bespoke care packages.

Not only does this improve the career and work life of carers. But it promotes choice and control for people needing care, as they are able to decide who and how their care is delivered.

Our mission is to improve care for all by building a network of Professional Carers.

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How To Register As Self Employed Guide

1. What Does Being Self Employed Actually Mean?
2. Why Register As Self Employed
3. When to Register
4. How To Register
5. A Few Extra Steps To Use An Accountant

TOP TIP:

IT IS REALLY IMPORTANT YOU REGISTER AS SELF EMPLOYED SO THAT YOU ARE ABLE TO PAY YOUR TAXES.



1. What Does Being Self Employed Actually Mean?

Setting Up As Self Employed Explained

Becoming self employed means you are trading as a sole trader in business terms.

As a sole trader you are responsible for paying your own tax and national insurance contributions to the HMRC.

By registering as a sole trader with HMRC you are notifying them that you are now responsible for paying your own tax and NI (previously your employer was paying this out of your wages for you).

You are required to submit a self assessment tax return every 12 months which works out how much tax you owe for that financial year.



2. Why Do You Register As Self Employed

Why you have to register?

You must register for income tax and national insurance contribution with HMRC, so you can submit a self assessment tax form.

A self assessment tax return works out how much tax you owe to HMRC. National Insurance contribution is a set rate.

When employed, your employer pays your tax and NI out of your wages, but being self employed means you have to do it (or appoint an accountant to do it for you)

But also...

The people that are using your service can also get into trouble if they pay you and you don't declare it to HMRC.

My Grandad who uses direct payments to pay for his self employed carer received a letter from his local authority saying that he might be responsible for paying the tax for his carer if she didn't pay. This caused him A LOT of stress and worry

So you need to be able to take that potential stress and worry away and honestly say you are registered as self employed and you are responsible for your own tax payments.

If you are employing any personal assistants who are self-employed please be advised that self-employment is not a matter of choice as it depends on the contractual arrangements agreed between you and the worker. Advice from HM Revenue and Customs (HMRC) is that the nature of the work and the terms of

engagement between you and your PA would not meet the criteria set by HMRC to be awarded self-employed status.

There can be financial consequences for you if you incorrectly engage someone under self-employed status. If you continue to engage your PA on a self-employed basis you will be personally responsible for any outstanding payments that may be due to HMRC.



3. When To Registered As Self Employed

When to register?

You cannot register in advance.

Technically you need to register for self assessment by 5th Oct in your second tax year of trading at the latest.

For example if you started trading 1st Jan 2022, you would have to register for self assessment by the 5th Oct 2022 (as the first tax year for your business would be a partial year 1st -Jan -5th April 2022, second tax year would be 6th April 2022 - 5th April 2023)

So this means whilst you do have to register as self employed, it isn't something you have to rush to do. So you can have a bit of breathing room whilst you figure out your new business!

And you can register using a date in the past. So make a note when you started to be self employed.

But lets not over think this, just register as self employed once you have got your first few clients.

TOP TIP:

KEEP A LIST OF ALL YOUR START UP COSTS SUCH AS LEAFLET PRINTING, STATIONARY, PAPER, AS ALL THESE COSTS ARE TAX DEDUCTABLE, SO YOUR ACCOUNTANT WILL WANT THEM FOR YOUR FIRST TAX RETURN.



4. How To Registered As Self Employed

Here's how to register as self employed:

1. Log in to your Government Gateway account if you already have one. You may have one set up for claiming Tax Free Childcare or the funded hours for childcare.

If you don't already have an account, create a Government Gateway account: you will need your full name, email address and create a password. Then you will be sent a user ID to your email, follow the steps in the email to continue to create your account. Here's the link to create your account: <https://www.gov.uk/log-in-register-hmrc-online-services>

Once created log into your account:

The screenshot shows the Government Gateway sign-in interface. At the top left is the GOV.UK logo. Below it is a security warning box: "Keeping your information secure" with the text "Do not share your Government Gateway user ID and password with anyone else." To the right of this box are language options: "English" and "Cymraeg". The main heading is "Sign in using Government Gateway". Below this, there are two input fields: "Government Gateway user ID" (with a note "This could be up to 12 characters.") and "Password". A green "Sign in" button is positioned below the password field. At the bottom left, there is a link for "Create sign in details".

2. Create a business tax account to register for self assessment and NI through your business tax account, follow this link (you must log in using your Government Gateway ID first) :

<https://www.access.service.gov.uk/login/signin/creds?aoc=Y>

Register for Self Assessment

Contents

- [Overview](#)
- Register if you're self-employed
- [Register if you're not self-employed](#)
- [Register if you're a partner or partnership](#)

Register if you're self-employed

If you [have to send a tax return](#) and did not send one last year, you need to register for both:

- Self Assessment
- Class 2 National Insurance

How you register depends on whether you've sent a tax return before or not.

Register by 5 October in your business's second tax year. You could be fined if you do not.

If you have not filed a tax return before

- 1 Register for Self Assessment and Class 2 National Insurance through your [business tax account](#). You'll need a Government Gateway user ID and password to sign in. If you do not have a user ID for a business tax account, you'll be able to create one.
- 2 You'll receive a letter with your Unique Taxpayer Reference (UTR) number within 10 days (21 if you're abroad). You'll need your UTR to file a return.
- 3 You'll receive a reminder letter or email telling you to complete a Self Assessment tax return before it's due.

You can [file your tax return any time before the deadline](#).

If you've filed a tax return online before

[Re-register online \(form CWF1\)](#) for Self Assessment and Class 2 National Insurance if you've filed a return before, but did not file one last year.

You'll need your 10-digit Unique Taxpayer Reference (UTR) from when you registered before. You can [find your UTR](#) if you do not know it.

You'll receive a reminder letter or email telling you to complete a Self Assessment tax return before it's due.

You can [file your tax return any time before the deadline](#).

Related content

[Check if you need to send a Self Assessment tax return](#)

[Self Assessment tax bill](#)

[Self Assessment tax returns](#)

[Self Assessment tax return forms](#)

[Help and support for Self Assessment](#)

Click **business tax account** to create a business tax account

3. Click change your account details

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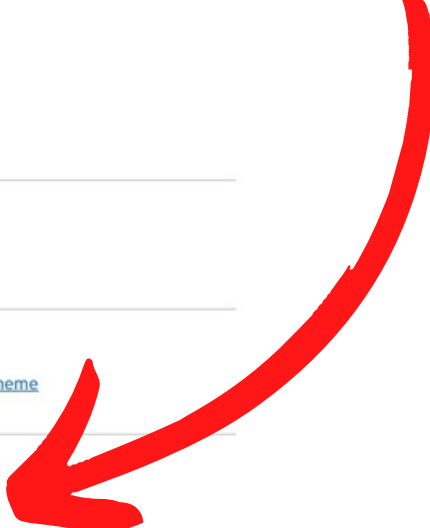
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4. Work through the questions

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Are you self-employed?


Yes

No

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Click YES!



Click individual or sole trader (even if you are working with a partner)

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Which of these best describes you?

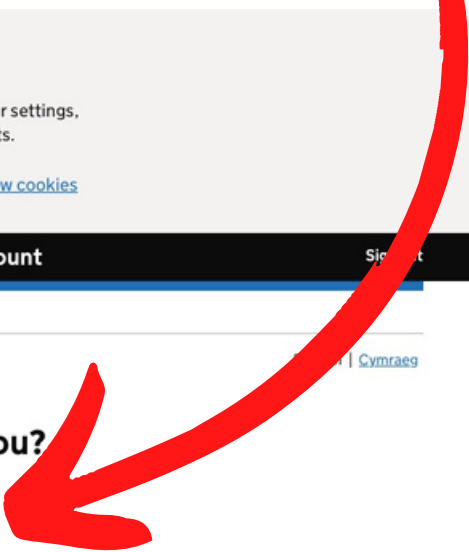
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Do you have a Self Assessment Unique Taxpayer Reference (UTR)?


Yes

No

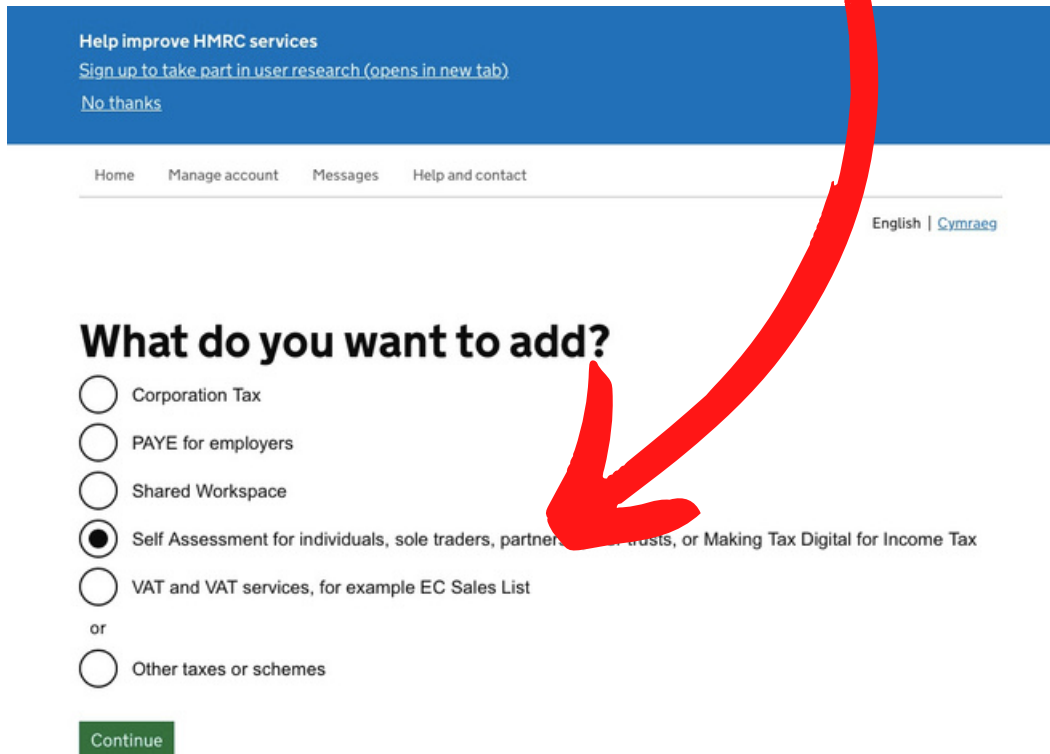
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Click self assessment



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What do you want to add?

Corporation Tax

PAYE for employers

Shared Workspace

Self Assessment for individuals, sole traders, partners, trustees, or Making Tax Digital for Income Tax

VAT and VAT services, for example EC Sales List

or

Other taxes or schemes

[Continue](#)

5. You will receive an email letting you know you have successfully registered as self employed!

6. You will receive a letter with your Unique Taxpayer Reference (UTR) within 10 days of application. This is needed to submit your tax return. Or if using an accountant, give this number to them.

7. You will receive a reminder letter or email telling you to submit your tax return before it is due.



CONGRATULATIONS you are
officially your own boss!





5. Extra Steps To Use An Accountant

If using an accountant, complete the previous steps, plus:

1. Send to your accountant your ID, National Insurance Number, date of birth and Unique Tax Reference number.
2. The accountant will then request an authorisation code from the HMRC which will let them act on your behalf.
3. The authorisation code will come to you which you must pass to your accountant. The code does expire so make sure you send them the information as soon as it arrives.
4. Your accountant will ask you to get your business income and expenditure together before the tax deadline.
5. The accountant then does the calculations and paperwork and you just pay what they tell you.

TOP TIP:

I HIGHLY RECOMMEND GETTING AN ACCOUNTANT, IT DOESN'T COST A LOT AND TAKES AWAY A LOT OF STRESS. LET THEM DO WHAT THEY DO, AND YOU CONCENTRATE ON WHAT YOU DO BEST!



Summary

Becoming self employed always seemed really scary to me.

I knew I always wanted to work for myself but didn't actually know how to be self employed, and I worried about whether I had missed something or if I was going to have to pay a huge bill of tax!

I just didn't know anything about it and if you ever talked to someone who was self employed they always said it was great and advised you to keep your receipts, but that was it! They never said how to do it, what to do with those receipts and obviously with us being English, they never talked about money!

But it turns out they never really elaborated because there isn't actually much to it!

1. Make sure you do register as self employed
2. Keep a track of work expenses
3. Keep some money aside for tax
4. Use an accountant to calculate your tax return
5. Pay HMRC what you owe when you are asked for it.

Check out [Managing Your Money Guide](#) for tips and advice on managing the money coming in and out!