



Your Pay Ltd.

Changing from self-employment to employment.

If you have previously been working on a self-employed basis and now will be an employee this leaflet highlights the key differences between employment and self-employment, so that you can better understand your contractual relationship with us.

As a self-employed subcontractor:

- You were engaged to supply your services to Your Pay Ltd. in accordance with the Work Order that was issued at the start of the assignment
- You had no obligation to work only for Your Pay Ltd. and Your Pay Ltd. was under no obligation to continue to offer work to you
- You were able to decide the detail of how you provided the services that you had agreed to perform
- You were paid for the hours that you worked in accordance with the timesheet that you completed and the transfer of this information to an invoice
- Where the duties you performed fell within the scope of the Construction Industry Scheme (CIS), the appropriate CIS deductions were taken at source
- You were responsible for payment of your Income tax and National Insurance Contributions (less CIS deductions) direct to HMRC and were responsible for keeping suitable accounts
- You were expected to supply and use your own hand tools
- You were entitled to claim expenses as a deduction from your annual taxable income under rules set by HMRC and were required to retain receipts to support those expenses

You were responsible for ensuring that all work was completed to an acceptable standard

Where the standard of any work was not considered to be good enough you were expected to rectify the problem at your own expense

You were not personally required to supply the services and could supply a substitute as appropriate



As a self-employed subcontractor you did not qualify for any employee benefits such as paid holiday and had no automatic qualification for statutory state benefits.

As an employee:

You are expected to attend site each day and personally complete the work

When work on one particular site is completed we will endeavour to find a suitable alternative role at an alternative site although this cannot be guaranteed

Payments will be made at an agreed hourly rate with Tax and NI Contributions deducted at source

You are entitled to claim expenses in accordance with Your Pay Ltd. expenses policy and qualifying expenses are paid to you with your wages following submission of a claim and supporting receipts

You have employment rights such as paid holiday and entitlement to statutory state benefits such as Statutory Sick Pay and Statutory Maternity Pay etc., subject to qualifying criteria.

A useful summary of the differences between employment and self-employment is provided overleaf.

Compare and Contrast

Employed

You work set hours or a set number of hours as dictated by your contract You work set days as dictated by your contract

You are paid at an agreed hourly rate with tax and National Insurance contributions deducted at source

Unless terminated in accordance with your contract of employment you are entitled to expect the continuation of your employment

You must do the work in the way that your supervisor/manager instructs You must do the work in the order that you are told

Self-employed



Mutuality

You contract with Your Pay Ltd. to supply your services subject to a work order you are able to refuse any work order. You are not required to accept work from Your Pay Ltd.

You are under no obligation to accept further work, nor is Your Pay Ltd. required to offer you further work.

Control

You are not subject to the supervision or direction of a supervisor or manager on site.

Provided you complete the work to the required standard you are free to choose how you do it.

You may be paid off if the site is closed for reasons such as bad weather you have to supply your own hand tools to do your work.

If you want to take leave you notify the company but you do not need to ask their permission.

You may be committed, under your contract to complete work within a specified period which may impact on your ability to take time away from work.

Substitution

You can arrange for someone to attend and complete the requirement of the subcontract on your behalf.

You are responsible for paying the person who is substituting for you and are fully responsible for them.

You are responsible for all tax liabilities relating to any substitute labour.

Financial Risk

Hourly rate or supply of services is negotiated on offer of Works Order. Deduction for CIS is made at source.

You are responsible for your own payment of Income Tax and NI contributions above CIS deduction level.

If the standard of work is not acceptable you are responsible for rectifying any problem at your own cost.

Qualifying expenses are a deduction from your annual earnings so you receive the



benefit as a deduction from your taxable income on an annual basis.

You may be moved to other tasks as your supervisor/manager sees fit. You will be supplied with all tools and materials that you need to do the work.

If you want to take any leave you have to apply to your employer to ask their permission.

An application for leave may be refused.

You are personally required to attend site to complete the tasks of your employment.

You accept the hourly rate which Your Pay Ltd. offers to pay for your services for each hour worked. You will receive your hourly rate. Tax and National Insurance is deducted at source.

Qualifying expenses are paid with your wages following submission of receipts.

Want to know more?

If you have further questions on your employment status, talk to our Operations Team on 01525 712230 or visit our website at www.your-pay.co.uk.