



Pinnacle People

Link-Up Start-Up

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In
partnership
with



Department
for Work &
Pensions



European Union
European
Social Fund

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What is Self-Employment?

What is Self-Employment?

- ▶ When you start working for yourself or start up your own business you are generally classed as self employed.
- ▶ Self employment can differ from being employed : You become responsible for registering your business with the HMRC and informing them of your businesses sales and your businesses expenses. You are responsible for paying your own tax and National Insurance.
- ▶ You don't have to register with the HMRC until you actually start trading your business.

There are a number of different ways you can trade your business, the main types being:

- ▶ Sole Trader
- ▶ Ltd Company
- ▶ Partnership

Advantages vs Disadvantages of self-employment

Advantages:

- ▶ Being your own boss
- ▶ You have the potential to earn more money and set your prices
- ▶ More choices: such as home-working and decision making
- ▶ More flexibility and control, this can be very useful (especially if you have children / commitments)
- ▶ You can unleash your full potential and entrepreneurial talents

Advantages vs Disadvantages of self-employment

Disadvantages:

- ▶ Your income is not guaranteed
- ▶ You may have to work a lot more hours and not always get paid for the work you do
- ▶ When you take a holiday or take personal time out e.g. are sick or go to the dentist / doctor or during seasonal holidays (Bank holidays and Christmas) you will not get paid
- ▶ You will be responsible for marketing your business and getting new work and customers as well as providing quotes, estimates and invoicing to ensure that your customers pay you on time
- ▶ You will be responsible for book keeping, administration and record keeping and paying your own tax and national insurance
- ▶ You may find that you have to take work home with you which could affect your home life / work balance



The HMRC and your responsibilities

- ▶ When you start trading your business you will need to register with the HMRC to inform them that you have become self employed
- ▶ How to register
- ▶ The financial tax year dates
- ▶ Brief overview of HMRC tax and National Insurance
- ▶ The NEA Financial Planning workshop content
- ▶ Basic bookkeeping and record keeping (what you need to keep)

Self-employment and your benefits

- ▶ When you become self employed you will need to make sure that your business is able to provide you with enough money to cover your personal outgoings.
- ▶ When it comes to your benefits you may wish to speak to your JCP job coach as consideration will need to be given to the following
 - ▶ Housing and rent
 - ▶ Council tax
 - ▶ Working Tax Credits

Considerations when running your business:

- ▶ Insurance: Public Liability, Professional Indemnity, and using your vehicle for business use
- ▶ Health and safety
- ▶ Choosing and protecting your business name
- ▶ Trademarking and copyright



Overview of the NEA Programme

The NEA Programme process



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New Businesses

- ▶ The New Enterprise Allowance (NEA) programme is aimed at supporting claimants to start their own business.
- ▶ For new business starts, NEA Phase 2 will support the creation of a business under any structure as long as the claimant has a genuine aspiration to build a sustainable business that will be based in Great Britain.
- ▶ The programme will support the move into self-employment for those people who want to start their own business. Pinnacle People provide mentoring support and financial assistance in the form of the NEA weekly allowance, administered by Jobcentre Plus (JCP), to claimants who satisfy eligibility and are referred to the scheme by JCP Work Coaches.
- ▶ Claimants will also have access to the Start-Up Loan schemes, should they need additional start-up financial support.

Overview of the NEA Programme

The NEA Allowance

- ▶ £65 for the first 13 weeks of trading
- ▶ £33 for the next 13 weeks of trading (weeks 14 – 26)
- ▶ Any NEA allowance you receive will not affect your housing benefit, tax credits, Income Tax or Access to Work Grant
- ▶ Once you start your business you will need to work a minimum of 16 hours self employed to be eligible for your NEA payments.
- ▶ Universal Credit customers should note that the process for getting the NEA Allowance differs from JSA/ESA customers, please speak with your work coach in the Job Centre for all benefit related questions.



Financing Your Business

- ▶ Financing your business

- ▶ Can you start your business without a loan?
- ▶ The difference between loan and grants

- ▶ The NEA Loan

- ▶ The minimum loan amount that you can apply for is £500 . The majority of NEA customers who apply for a loan go for between £500 to £2500
- ▶ Higher amounts are available - further details upon request
- ▶ What can the loan be used for (and what can't it be used for)
- ▶ Loan lending criteria and credit ratings
- ▶ When can the loan be applied for?
- ▶ *Your credit history will play a significant role in whether your loan is approved or not, if you are concerned then please contact the loan provider immediately and they will be able to advise:*
 - ▶ hello@startuploans.co.uk
 - ▶ 0344 264 2600 (Mon-Fri 09:00 – 18:00)
 - ▶ Pinnacle People have no influence or involvement in the loan.

Your next steps:

- ▶ If you are interested in the NEA Programme:
 - ▶ Ask your work coach in the job centre to refer you for an Initial Assessment appointment on the New Enterprise Allowance programme
 - ▶ Your JCP work coach will then call us and book you into the next available Initial Assessment and pass you the details.
 - ▶ You will then meet with your NEA business mentor and have an informal conversation about your business idea and the suitability for the NEA programme.

Questions and Answers Session

- ▶ Your opportunity to ask any questions regarding self employment and the NEA programme?
- ▶ Commonly asked questions.
- ▶ If you have a specific question or a query and would like answered on an individual basis after the workshop then please make me aware.



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Thank You

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