

EMPLOYING OTHER PEOPLE

You may need to employ others to help you. What are the implications?

EMPLOYED OR SELF EMPLOYED

The first thing is to check whether your assistance is employed or self employed. The tests are very similar to those for IR35 – see our IR35 section.

If your assistance is employed then:

- You must stop Tax and NI under PAYE (we can help you with this)
- You will be liable for employment protection issues, eg holiday pay, sick pay, unfair dismissal, redundancy costs
- You must give your employee a contract or statement of particulars of employment, and set out a disciplinary & grievance procedure

For more information on employing someone, see garbetts.com/employment

If your assistance is self employed:

- It is a good idea to have a contract in place to confirm this
- It is a good idea to obtain and retain evidence of self employed status (the contract helps this)
- In the construction industry you would need to operate CIS (see garbetts.com/cis)

Either way, employers liability insurance is recommended.

SPOUSE

Can I employ my spouse?

Yes, you can. The same rules apply, although as a family member National Minimum Wage may not be applicable.

If your spouse doesn't work elsewhere we suggest a salary up to the personal allowance threshold (see the "In practice" section of this guide).

HMRC can challenge spouse wages if they are excessive. Keep a note of what your spouse does for the business, and consider making them a director to show they carry extra responsibilities.