

## ***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](http://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](http://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.

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