

Introduction

Your employment classification affects the amount of contribution you have to pay, so it is important you know which heading your job falls under.

The law doesn't define 'employment' and 'self-employment', you or your employer can't simply call your job 'employment' or 'self-employment'.

The questions on the next pages should help you to decide your employment classification, although they are only a brief guide and don't cover every situation. It is not possible to list all the factors which may be relevant or provide a precise guide to their relative importance.

For each engagement the whole picture needs to be looked at in the light of all the facts. If you are unsure, or you have any questions, please contact Social Security.

Employed or self-employed

In most cases it will be obvious whether you are employed or self-employed.

For example, if you work for a company as an office clerk, you are almost certainly employed. It may be clear that you are an employee because you have been given a written statement of your employment terms, or you may be a member of a pension scheme open only to employees.

You are self-employed if you are in business on your own, for example if you run your own shop, or are buying and selling goods, or providing services direct to the public from your own premises.

However, sometimes it isn't so easy to decide. You'll need to look at your job as a whole, taking into account all the conditions you work under.

Your position under social security legislation will not necessarily be the same as under the income tax law. Although you are self-employed in one job this doesn't necessarily mean you will be in your next job.

Employed pointers

If you can answer 'Yes' to the following questions, you are probably employed.

- Do you have to do the work yourself for the whole or substantial part of your time at work?
- Can someone tell you at any time what to do or when and how to do it?
- Are you paid by the hour, week, or month? Can you get overtime pay?
- Do you work set hours, or a given number of hours a week or month?
- Do you work at the premises of the person you work for, or at a place or places he or she decides?

Self-employed pointers

If you can answer 'Yes' to the following questions, it will usually mean you are self-employed.

- Do you have the final say in how the business is run?
- Do you risk your own money in the business?
- Do you meet any losses as well as taking the profits?
- Do you provide the main items of equipment you need to do your job, not just the small tools many employees provide for themselves?
- Are you free to hire other people on your own terms to do the work you have taken on?
- Do you pay them out of your own pocket?
- Do you have to correct unsatisfactory work in your own time and at your own expense?

Special Rules

These may apply to certain jobs or positions. If for instance you

- work in the building or construction industry as a labour only contractor;
- are a minister of religion paid by salary or stipend;
- are a salaried doctor, dentist, vet or pharmacist;

You should probably be classified as an employed person.

On the other hand, if for instance you

- work as a share fisherman;
- work for a company in which you have enough shares to have substantial control in the company;
- work for your spouse in a business;

you should probably be classified as a self-employed person.

Several jobs and part time working

The same considerations to determine employment classification will apply even if you work part-time or for a short period. Unless you can answer 'Yes' to the self-employed questions above, you will normally be an employee.

If you have more than one job, or if you work for a number of different people for a few days or weeks at a time you will need to answer the previous employed/self-employed questions.

Remember, because you are self-employed in one job, it doesn't necessarily mean you will be self-employed in any other job you take on.

If you provide services to many different people and do not work regularly for just one person, this may be relevant to the decision as to whether your work for each is as an employee, or as a self-employed person.

You can even be employed and self-employed at the same time in different jobs. For example, you could be employed as a part-time shop assistant and spend the rest of your time running your own business from home. You could work full time in a bank as an employee, and run a part time business in the evening or weekends.

You may have a number of short term or part-time activities, some of which may amount to employments and others to self employment. It all depends on the facts.

How do I pay contributions?

Employed

It will be your employer's responsibility to deduct contributions from your pay and forward it to Social Security. The leaflet 40 'Employed persons' explains this in more detail.

Self-employed

You are responsible for your own contributions, which means:

- Telling Social Security if you haven't already done so, that you are in business;
- Completing an application if you wish to pay earnings related contributions.

You will be sent a contribution card every 13 weeks, in advance, unless you choose to pay monthly or quarterly by direct debit.

The leaflet 41 'Self-employed persons' explains this in more detail.

Still not sure?

If you are not sure whether you are employed or self-employed, or if you have any other questions, please contact the Contributions Assessment Section on 732504 for advice.

This leaflet is for guidance and must not be treated as a complete and authoritative statement of the law.

For further information

If you are unsure of the meaning of any particular point in this leaflet, please contact Social Security, or the Alderney States Office, where staff will be pleased to help you and from where copies of any other leaflet mentioned may be obtained.

If you are writing to Social Security, please quote your social insurance number if known.

How we collect and use information



The Committee *for* Employment & Social Security processes personal information for social security purposes in order to carry out functions relating to the relevant social security and associated legislation that it administers. The information collected will depend on your business with us, but will be no more than is required for that purpose. We may get information about you from others for any of our purposes if the law allows us to do so. We may also share information with certain other organisations if the law allows us to. Any personal information you give to us will be processed in accordance with the Data Protection (Bailiwick of Guernsey) Law, 2001. If you wish to know more about the information we have about you, or about the way we use it, you can ask at The Office *of the* Committee *for* Employment & Social Security.

What to do if you have a complaint

If you are dissatisfied with any aspect of our services please let a member of staff know at the time so that we can try to resolve the issue immediately. If you wish to make a formal complaint to Social Security, please contact us for a complaints leaflet and return the completed complaints form to Social Security, Edward T. Wheadon House, Le Truchot, St Peter Port, GY1 3WH.

You can also request more information by email and return your complaint form to socialsecuritycomplaints@gov.gg or send your complaint or a compliment to us online at the States website, by visiting www.gov.gg/contactus and completing the electronic form.

For access to information on disability and health matters.....

This service is based in the Ron Short Centre at Beau Sejour. The Information Exchange is a charitable organisation committed to encouraging the provision of a confidential and impartial information service to disabled people, their carers, family and health professionals.

The service supports those with a long term disability or medical condition, acquired conditions and short term conditions or disabilities.



Please Phone
Health Information
Guernsey
Tel. No: 01481 707470
www.information-exchange.org