



Factsheet: Self-employment and working with The Big Issue

Equality, with financial support from The Big Issue, have started a pilot empowerment project focusing on the employment of Roma communities in Leicester. The aim of the project is to work with young Roma men and women in and around Leicester who are currently unemployed or seeking work. They will be offered literacy, numeracy and English language classes and into-work training to enhance their knowledge, skills and abilities, and thereby improving their chances of finding work, or getting into further education or training. Participants will be able to work as The Big Issue vendors whilst completing the project and will be supported by Equality and The Big Issue to explore other opportunities at the end of the pilot.

The project will be rolled out to other areas of the UK in the Autumn.

What are the Benefits of selling The Big Issue?

The Big Issue helps a variety of people by providing them with various skills required to move into full time permanent employment, for example:

- **Earn a legitimate living** – a Big Issue vendor buys the magazine upfront for £1, and sell it for £2 keeping any profit made. You earn money and this can help you become self-employed.
- **Sales training** provided by the staff at The Big Issue and Equality
- **Sales experience** – you will be assigned a pitch in the East Midlands region, selling magazines to members of the public. You will develop sales skills in order to sell a product, which you can use later on in future employment
- **Improved English** – you will be required to communicate with a variety of people on a daily basis. This will help improve your English, which will be useful when you are seeking further work in the future.
- **Self confidence** – selling a product on the street in busy towns and cities improves vendors self confidence, especially with regards to improving your English.
- **Customer service experience** – you will build up regular customers, providing them with a polite and professional sales service.
- **Meeting sales targets** – The Big Issue set out vendor sales targets depending on which pitch they sell on. As sales targets are used in many lines of work, this is beneficial for many future jobs you may want to apply for.
- **Improved budgeting skills** with the assistance of the vendor savings scheme
- **Incentives** – The Big Issue offer incentives to high selling and reliable vendors. You will occasionally get the opportunity to buy some half price magazines, which means you will make more profit.

Working for yourself (self-employed)¹

If you work for yourself in the UK, you are 'self-employed'. You must register with HM Revenue & Customs (HMRC) and pay your own tax and National Insurance. To be able to ac-

¹ <http://www.hmrc.gov.uk/migrantworkers/self-employed.htm>

cess government support like housing benefit you may need evidence that you are working as a self-employed person. For example, proof of registration with HMRC, invoices for work done, a copy of business accounts, an accountant's letter or other similar documents.

Registering with HMRC

To register with HMRC, you first need to have a National Insurance number. If you do not have a National Insurance number, please contact Jobcentre Plus on telephone number 0845 600 0643 to arrange an 'Evidence of Identity' interview. They will explain what documents you need to take to the interview.

You can register with HMRC online² or by phoning their helpline on telephone number 0845 915 4515. When you register with HMRC they will use the information you provide to set up tax and National Insurance records for you. You will receive, some weeks later, a 'Unique Taxpayer Reference', which you need to keep in a safe place. You'll need it when you complete your annual 'self assessment tax return' and whenever you get in touch with HMRC.

How to pay tax and National Insurance

If you work for yourself you pay tax by filling in a form called a 'Self Assessment Tax Return' once a year to tell HMRC what you have earned. You usually pay 'Class 2' National Insurance contributions to HMRC directly and 'Class 4' National Insurance contributions after completing your tax return.

There are different types of tax return forms. If you are self-employed you must complete:

- the main tax return forms SA100 and SA101
- the self-employment pages SA103S or SA103F (which one you complete depends on how much money you earn)

You may also have to fill in other pages, depending on your situation. HMRC uses the information on your tax return to work out your tax bill, or you can work it out yourself. It is very important to keep records of what you have earned and what you have spent. HMRC might ask to see these records. The easiest way to fill out a tax return is online because your tax is worked out for you automatically and you can select the pages you need. However, HMRC will also send you a tax return form in the post, should you not have access to a computer.

Value Added Tax (VAT)

VAT is a tax charged on most business transactions in the UK. This tax is paid to HMRC. If you are self-employed and your business turnover is above £73,000 during a tax year (6 April to 5 April) you have to register for VAT. You can also choose to register for VAT even if your self-employment income is low. If you register for VAT you can then claim back any VAT you pay on goods or services you buy for your business. VAT is paid to HMRC at quarterly intervals.

Contacting HMRC when you leave the UK

² <http://www.hmrc.gov.uk/selfemployed/register-selfemp.htm>

If you have left the UK to live or work in another country, or are about to leave the UK, you should tell HMRC. If you're not required to fill in a tax return, you will have to complete form P85 'Leaving the UK - getting your tax right'. HMRC will use the information on this form to send you any tax refund you are due.

Self-employment and benefits

Self-employed nationals from European Union and EEA countries, including those from Romania and Bulgaria, can obtain child benefit and in-work benefits such as tax credits for as long as they are in employment or self-employed. If the person is on a low income they may be entitled to housing benefit and council tax benefit.

A2 nationals

If you are a Romanian and Bulgarian national ('A2 nationals') you may not claim jobseekers allowance or income support until you have legally worked in the UK without interruption for a period of 12 months of continuous employment. If you become unemployed before 12 months of continuous employment has been reached, you are not entitled to housing benefit, council tax benefit, allocation of social housing or the provision of homelessness assistance, or income support or job seekers allowance.

An A2 national who has worked legally in the UK without interruption for a period of 12 months may apply for benefits such as jobseekers allowance and income support, housing benefit, council tax benefit, child benefit and child tax credits.

A8 nationals³

Since May 2011, nationals of the eight countries that joined the EU in 2004 (known as A8 countries) have the right to work in the UK without needing permission from a government agency and may apply for benefits such as jobseekers allowance and income support, housing benefit, council tax benefit, child benefit and child tax credits.

And a success story from the Big Issue

I am a proud, hardworking man. I have been selling The Big Issue for five months. But when people ask why I have come here – is it so I can get something? – I feel ashamed. I feel shame when they look at me and wonder if I am buying drugs with the money they are giving me. I don't like drugs, and I have never in my life drunk alcohol. I don't like it. I came to the UK because Romania is very corrupt. I didn't even have a doctor for my family there because if you don't have money, you don't have medical care and you die in the street. I want a life, and I want to be with good people in a good country, who are not lying. That is something I feel passionately about. Many people come here from my country because your government in the UK is for people. They are good people. You pay tax and it is normal for your government to help you. This is a big help. I went to school for 12 years and I have worked for many years in Greece, Turkey and Italy. In Romania I used to work on security cameras and earned £100 a month, which is nothing once you have covered rent and food for your family.

³ The countries know as A8 nationals are:

Czech Republic, Lithuania, Hungary, Slovakia, Estonia, Poland, Latvia, Slovenia

(<http://www.ukba.homeoffice.gov.uk/sitecontent/documents/policyandlaw/modernised/working/eea/eea-swiss?view=Binary>)

I am from Arad in Romania, which is not very far from the Hungarian border. I came here with my partner. She and I have been together for five years. When I arrived in Cardiff five months ago, I hardly spoke any English. But I come to The Big Issue office every week and have been having lessons, and now my English is good. I always carry a dictionary with me, too, and every day I look in it for my intelligence.

You have the Anglican Church here and it is a part of your government.. It is inside it. I am Orthodox. I go in my church and I pay. Why? God doesn't want money. God wants a person to speak truth. Over here, when you see people suffering, you give to them so they can buy a sandwich or a tea because you have power to do so and you think, if it is possible, I will help. But in Romania, you pay. In church, you pay.

I have here one woman who is the vicar in church in Radyr. I go to church every week and she helps me very much. I tell her all my problems and after talking to her my problems feel lighter. She has a very good heart. I like this country. It's not perfect. Nobody is perfect but you have a chance here. The government gives a chance to all people.

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