

A guide to Housing and Council Tax Benefit for self-employed people.

This leaflet explains about Housing and Council Tax Benefit for self-employed people.

Who is self-employed?

You are self-employed if you

- are running a business
- are in a business partnership with one or more people
- work for yourself
- are not working for an employer
- are responsible for paying your own Income Tax and National Insurance.

You are not self-employed if you

- are getting an income from an employer
- work for an agency
- are a consultant
- are a seasonal worker
- are a sub-contractor
- you are a fosterer who gets a fostering allowance
- you are a carer who gets a fee from a local authority, health authority or voluntary organisation
- you are a company director.

Special rules for childminders

We do not have to work out allowable expenses for childminders. One-third of your gross profit is used as your self-employed earnings. No further expenses are used. We then work out your Notional Tax and Notional Insurance.

Can I claim?

You can apply for Housing Benefit, Council Tax Benefit or both, if you or your partner are self-employed. We will work out your benefit using you and your partner's income and savings.

As you are self-employed we must work out your weekly earnings from your business and add this to any other income and savings, which you and your partner receive. To work out your benefit we need your latest audited accounts. If you do not have audited accounts or if this is a new business, we can still work out your weekly self-employed earnings by filling in our self-employed form. Phone us on 01702 318197 or 01702 318198 for a form or e-mail us at revenues&benefits@rochford.gov.uk

Please note, your Self Assessment form (Schedule D) alone, is not enough proof of your earnings.

We may need to contact you for further information.

How will you work out my self-employed earnings?

To work out your weekly earnings

The first step is to work out your gross profit. From the gross profit, we need to work out your business profit before Income Tax and National Insurance is deducted.

We do not take into account any personal or household expenses or business savings. We cannot allow the cost of buying or improving fixed assets in the business.

We will look at your business expenses and may take them away from your gross income.

We have listed some examples of allowable expenses below

- Staff costs
- Rent, rates and mortgage payment on the business premises
- The purchase of stock and supplies
- Fuel costs
- Cleaning
- Protective clothing
- Advertising, telephone and stationery
- Carriage and delivery costs
- Hire and leasing charges
- Legal and accountancy fees
- Bank charges
- Insurance
- Subscriptions to trade and professional organisations
- Interest on business loans.

We will then work out your weekly income and take away Income Tax, National Insurance and 50% of any private pension contributions.

To work out your weekly benefit entitlement, we will also use any other income you have together with your net profit.

If you would like further advice, phone us on 01702 318197 or 01702 318198 or e-mail us at revenues&benefits@rochford.gov.uk

What do I do now?

If you are self-employed and you wish to make a claim for Housing Benefit, Council Tax Benefit or both, you will need to fill in an application form.

Remember, if you do not have audited accounts you will also need to fill in a self employed form. You can ask for a form from our office, phone us on 01702 318197 or 01702 318198 or e-mail us at revenues&benefits@rochford.gov.uk

Do not delay, you may lose benefit if you do not claim or supply information as quickly as possible.

A–Z of useful words

- Audited Accounts** – Accounts prepared by an accountant.
- Gross** – Earnings before business expenses have been deducted.
- Net** – Earnings after allowable business expenses have been deducted.
- Notional Tax & Notional National Insurance** – Estimated figure based on the information you have supplied.
- Seasonal** – Short-term employment based on the time of year, for example, deckchair attendant.
- Sub-contractor** – Where your tax is paid by the contractor and you are responsible to pay your own National Insurance.
- Company Director** – Where you have a share in the business, but are a paid employee.

Independent advice

If you need free and independent advice you can contact one of the following agents:

Citizens Advice Bureau

Rayleigh

Rayleigh Civic Suite, Hockley Road, Rayleigh
Open Monday 10am–2pm and 7.30pm–9pm
Tuesday, Thursday and Friday 10am–2pm
Phone: 01268 770782

Rochford

Back Lane, Rochford
Open Tuesday–Friday 10am–3pm
Phone: 01702 545552

Southend

1 Church Road, Southend
Open Monday–Friday 10am–4pm
Phone: 01702 610610

Tribunals Services

www.appeals-service.gov.uk

The Business Advice Centre, Suite 7, Weston Chambers,
Weston Road, Southend-on-Sea, Essex SS1 1AT or telephone
01702 339339, e-mail info@thebusinessadvicecentre.co.uk

Visit the HM Revenues and Customs website www.hmrc.gov.uk
for further information.

How to contact us

Phone us on 01702 318197 or 01702 318198 between 8am and 8pm, Monday to Friday, and between 9am and 12 noon on Saturday.

You can come to our offices between 8.30am and 5pm, Monday to Thursday and between 8.30am and 4.30pm on Friday. We are closed at the weekend. Our address is on the back of this form.

You can also e-mail us at revenues&benefits@rochford.gov.uk

If you would like this information in large print, Braille or any of the following languages, please phone 01702 546 366.



Website: <http://www.rochford.gov.uk>

Facsimile: 01705 24231

Telephone: 01705 242300

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