**Guidance notes and FAQ’s on self employment checklist**

**Background**

It is important that clubs and associations establish the employment status of people they pay for their services. If the working arrangements indicate that they are employees it will introduce employment rights such as national minimum wage, employers NI, holiday pay, maternity leave, paternity leave, redundancy etc and introduce requirements such as Real Time Information (RTI) and auto-enrolment for pensions. HM Revenue and Customs (HMRC) will expect clubs and associations to justify any decision not to treat someone as an employee and instead treat them as self employed.

To help clubs and associations, England Hockey has worked with its professional advisors to develop resources and tools which can be used to indicate an individual’s employment status. There is no definitive definition of self employment and any contract is only of limited value. HMRC look at the nature of the working arrangements and use a number of indicators to create an overall impression of the relationship and whether it is consistent with self employment. The checklist gives clubs and associations guidance on the indicators considered by HMRC. **The subjective nature of the HMRC assessment means it is impossible to be definitive but the checklists will help mitigate the risk that HMRC will conclude that someone is an employee.**

This process is not designed to encourage a move to paying volunteers where all parties are happy with the current unpaid arrangement. This process is about addressing the risks where payments are being made.

**The checklist**

The checklist is designed to work on three levels.

* Its use demonstrates to HMRC that we have carefully considered an individual’s employment status and not used self employment as the default option.
* The checklist indicates whether self employed status is appropriate
* The questions are designed to indicate the appropriate arrangements for self employed status and, where necessary, changes in working practices should be considered to support self employed status.

The checklist cannot be intended to cover every potential circumstance in every working relationship but it gives a good guide to whether someone is genuinely self employed. It addresses the key issues considered by HMRC and there are consistent themes around the independence and freedom expected by a self employed contractor i.e. how a task is done. That is not to say that the clubs and associations cannot be clear in their expectations and requirements i.e. what is done. England Hockey is developing different checklists for a variety of roles and currently has checklists for coaches, managers and administrators.

**A guide to the questions**

**Do they have a club/association email address?**

Some clubs and associations are now moving in this direction. Care should be taken not to give contractors the same status as key officials in the club.

**Do they manage your staff?**

Your club or association may not have any staff but contractors are answerable to the club or association not vice versa. Contractors can be expected to work with other contracted coaches, managers and administrators to plan sessions and administration - it is not the same as managing your staff.

**Do they work from home?**

Although some employees might work from home their employer will exercise significant control over when they work. The ability to organise how and when you work to suit your own needs at home indicates a lack of control and is consistent with self employed status. Some attendance at centres or sessions does not remove this indicator.

**Do you tell them how/when to do something?**

If you give coaches/managers/administrators the desired outcomes this is fine. You are defining the service which is required and probably the date by which it should be completed. This is different to controlling how and when a task is undertaken. The manager, coach and administrator will have a significant degree of autonomy on arranging the detailed delivery. This question is not aimed at any moves to agree a desired outcome. It refers to hands on control of how and when tasks are undertaken.

**Do you move them from task to task/drill to drill?**

Once appointed, are the contractors free to organise the delivery of the required outcomes? Can the administrator decide which task to tackle first? Does the coach decide on the drills for a session? All indicate a level of independence consistent with self employment.

**Are they free to choose their working time?**

Does the Administrator have the freedom to decide when they work? Can they arrange the work around their other commitments with the Club/Association only requiring that it is undertaken by a specified date?

**Do they provide their own equipment?**

Does a coach have to provide their own specialised equipment such as a stick, laptop, mobile phone? Some basic equipment such as balls or a first aid kit could be loaned from the club/association but it is the coaches/manager’s responsibility to ensure it is returned.

**Are they paid a fixed fee?**

Is the administrator paid a fixed sum to undertake the tasks required? Are the coaches or managers paid a fixed fee for a programme? This is more consistent with self employment. If they are not paid for a programme, it is preferable that they are paid for a session rather than by the hour.

**Are they required to find and pay a substitute?**

The club/association can vet any substitute to ensure they are appropriate but the responsibility for arranging and paying them is down to the contractor. This is an important test of self employment and consideration should be given to changing processes so that this happens.

**A useful summary: if someone looks and behaves like an employee, HMRC are likely to consider them as an employee. Take steps to change their working arrangements if you are concerned that the relationship is not consistent with self employment.**

**Frequently Asked Questions**

**If a coach is required to follow the England Hockey coaching syllabus is this too much control over what they do?**

No, it is setting out what needs to be achieved and referring the coach to established best practice. It does not control how the coach gets across the learning points, specify any particular drills or determine how a coaching session is organised. These would be down to the coach to determine.

**We require the coaches and managers to wear certain kit so that they look professional. Is this a problem?**

This could be an indication of employment but can be mitigated by requiring the coach or manager to purchase the kit rather than providing it as an employer would do for an employee.

**Are there any roles which are consistent with employee status?**

Yes there are. We are aware that some larger clubs have a “Director of Hockey” role which is more likely to be an employee. However the professional advice received by England Hockey suggests that the vast majority of roles will be consistent with self employment.

**If someone provides me with their unique tax reference (UTR) does that mean they are self employed?**

No, it’s only a number that indicates that at some point in the past they may have submitted a self employed tax return. You need to apply the checklists to determine their employment status. However lack of a UTR suggests that they not yet registered as self employed and you may wish to make this a requirement.

**If someone is given a fixed fee to arrange the teas on a Saturday does this constitute a payment for employment?**

If receipts can be provided to evidence that the fee is merely an expense payment to cover the cost of the teas this is fine. If receipts are not provided it could be a problem so care should be taken to ensure that any payment represents a reasonable sum for the cost of teas only. Any payment in excess of the cost of the teas is potentially a taxable payment.

**Does it matter if we only use a coach on a few occasions?**

No. It is the nature of the overall relationship which dictates the employment status not the number of occasions that they provide the service. They could be considered a casual worker and subject to PAYE and the national minimum wage etc if the relationship is not consistent with self employed status.

**Do Assistant Coaches need insurance?**

Although only an Assistant Coach on a particular programme, it is good practice for any paid coach who is working across a number of roles to have their own insurance. The level of supervision is likely to vary and they may well not be covered by the Head Coaches insurance policy.

**Does it matter if they are under 18?**

You should still check their status via the checklists but they are less likely to be subject to income tax and NI as their income may be less than the thresholds.

**Why can’t England Hockey employ the coaches and we buy their services as we need them?**

If England Hockey employed the coaches and treated them as employees it would introduce all the costs associated with employment which would need to be passed on to clubs and associations. Furthermore in the vast majority of cases self employment is the correct treatment and many will object to being treated as an employee in this way and having their payments unnecessarily subject to PAYE and NI. In addition VAT becomes an issue when clubs or associations hire the coaches from England Hockey.

**Can I give someone a fixed fee to cover their expenses rather than pay them?**

Genuine expenses can be paid without worrying about the tax implications. However they have to be genuine and reasonable expenses and payments in excess of this, whether fixed or not, would constitute a taxable payment.

**Is there a suggested claim form for payments?**

No, all payments should be made against an invoice from the contractor. It can be a very simple document but it should be an invoice rather than a claim form.

**Do these guidelines apply to umpires?**

If an umpire is being paid a fee for their services then technically it’s a taxable payment but usually there are small amounts of money involved and often they are in lieu of expenses. The risk is therefore lower but it would be good practice to make payments for genuine expenses rather than negotiate with HMRC over whether the payments are allowable expenses or not.

**What expenses can I pay?**

HMRC allow mileage claims up to 45p per mile and reimbursement of genuine expenses. They would be expecting to see receipts to support those claims.

**Can I pay someone an honorarium?**

Whatever its name, if it’s a payment for services it’s taxable and the same process should be followed to see if the role is a self employed one.