

# Putting you first

## Factsheet 2 Employing a personal assistant: pay and tax

This range of fact sheets has been designed to support and advise you through the process of employing a personal assistant.

We know that some of the things mentioned in these fact sheets are quite complicated so please don't worry if you find any of it difficult to understand - the self directed support team can offer you help, advice and information.



You can discuss a referral or assessment by contacting Adult Social Care Direct on **0191 433 7033**.

You can also contact the team on **0191 433 2379 / 433 2425** or email **[selfdirectedsupportteamenquiries@gateshead.gov.uk](mailto:selfdirectedsupportteamenquiries@gateshead.gov.uk)**

## Pay and tax

If you decide to employ a personal assistant, you must register yourself as an employer with Her Majesty's Revenue and Customs (HMRC) - usually referred to as the Inland Revenue - for tax reasons.

It is your responsibility to make sure your personal assistant gets paid properly. You can register through the Inland Revenue (contact details below) and manage the payroll yourself, or you can use a payroll agent who will deal with payslips and Inland Revenue bills for you.



## Registering yourself

Once you have registered, you will be given the option of receiving a new employer pack. This contains all the forms and information you'll need as well as our employer CD-rom which includes interactive forms, PAYE calculators and lots of guidance.

You will have to keep a range of records and paperwork for your employee. For example:

- Details of their name and address
- Payslips showing their earnings, and any tax or NI contributions you deduct.
- Copies of P60 forms

The HMRC website for new employers can give full information on all the records you need to keep and there is also a helpline, which can offer guidance to people who are considering becoming employers. Depending upon your circumstances a representative could make a home visit.

## Using a Payroll Agent

If you decide to use a payroll agent they will undertake all payroll duties and correspond with the Inland Revenue on your behalf. They will advise what paperwork you need to send to them on a regular basis.

There may be a charge for using a payroll agent; the self-directed support team can give you more information about this.

## Payslip

When you pay your personal assistant you must provide them with a payslip. This provides details of how their pay has been calculated, a good stationer should stock 'payslip booklets'.

If you choose to use a payroll agent they will provide payslips as part of their service.

It is important to remember that:

- You must provide your personal assistant(s) with a payslip in all circumstances.
- You must not pay them less than the minimum wage per hour.

## Working Time Regulations (1998)

The statutory Working Time regulations came into force on 1 October 1998 to make sure employees do not work too many hours in any one week.

As an employer it is important that you are aware of this because the government has set restrictions on what people can work and these have to be followed by law.

Business Link is a free government business advice and support service which is available online and through local advisors. They can provide information on working time regulations as well as other requirements.

## Glossary of terms

**Employee:** A person who works for another person or business for money.

**Employer:** This is a person or a business which pays other people money for their work.

**Inland Revenue / HMRC:** This is the part of the government that deals with direct tax payments from individuals and businesses. The Inland Revenue merged with Customs and Excise to become Her Majesty's Revenue and Customs (HMRC) in 2005 but many people still refer to it as simply "the Inland Revenue".

**Tax:** Money taken by the government to pay for public services, you can be taxed on your income and your home and as an employer you need to make sure your employees' taxes are in order.

**Payroll:** Payroll can refer to the list of people who are to be paid by an employer. The term is also sometimes used to refer to the sum total of these amounts where there is more than one employee.

**National Insurance contributions:** This is another payment employers and employees make to the government, it helps provide money for the unemployed, the sick and the retired.

**Wage:** Money that is paid or received for work or services hourly, daily, weekly or monthly.

**Statutory:** This refers to something the government has ruled as law.

## Useful contacts

**The HMRC / Inland Revenue helpline:** call **0845 6070143**,  
textphone **0845 6021380** or log on to  
**www.hmrc.gov.uk**

**Business Link:** call **0845 600 9 006**,  
textphone **0845 606 2666** or log on to  
**www.businesslink.gov.uk**

**National Centre for Independent Living** **www.ncil.org.uk**

**Government information site**  
**www.directgov.uk**

The other fact sheets in this series help you think about some of these issues so you can decide if you want to employ a personal assistant.

Other fact sheets in the the 'Employing a personal assistant' series are:

**Factsheet 1: an introduction**

**Factsheet 2: pay and tax**

**Factsheet 3: recruitment and selection**

**Factsheet 4: choosing a personal assistant**

**Factsheet 5: contract of employment**

**Factsheet 6: health and safety**

**Factsheet 7: being a good employer - supervision**

**Factsheet 8: disciplinary and grievance**

**Factsheet 9: ending the employment period**

