

### Self Employment

There are no special tax rules for you if you are a student and also self-employed. You will be treated in the same way as other self-employed people.

You must tell the HMRC if you start working as a self-employed person. Do this by ringing the helpline for the newly self-employed on 08459 15 45 15. You must do this within three months of starting to be self-employed to avoid paying a penalty.

**P45** – must be given to you by your employer when your job finishes, it shows your total earnings/tax/national insurance deductions during your employment. You will need to provide this document to your next employer or too much tax may be deducted.

**P46** – if you don't have a P45 to give your employer when you start work (eg never worked before) then the employer will get you to complete a P46. You may find that you are placed on an emergency tax code (ie you are automatically taxed) while the Employer awaits information from the Inland Revenue Office over your tax code status.

**P38** – if you take on a job purely for the University's vacation period and you know you will not exceed the personal allowance you can ask your employer for this form to complete. This will prevent tax being deducted.

**Your wage slips and P60** – By Law you are entitled to a weekly/monthly payslip (ALWAYS KEEP THEM) they are important and may be needed for future reference purposes. The P60 is particularly important as an annual summary, keep it safe.



JobShop  
guide to:

# National Minimum Wage, Income Tax & National Insurance

## What is the National Minimum Wage?

With a few exceptions, all workers in the UK aged 16 or over are legally entitled to be paid a minimum amount per hour. This is regardless of the kind of work they do or the size and type of company. The rate is reviewed every year, and any increases take place in October.

### National Minimum Wage rates until Oct 1 2010

- adults (which means people aged 22 and over), £5.73 an hour. The rate increases to £5.80 on Oct 1 2009
- workers aged 18-21, £4.77 an hour - the 'development rate'. The rate increases to £4.83 from Oct 1 2009.

### National Minimum Wage rates Oct 1 2010 onwards

- £5.93 an hour for workers aged 21 and over
- £4.92 an hour for workers aged 18 to 20
- £3.64 an hour for workers aged 16 to 17

### National Minimum Wage Helpline 0845 6000 678

### Students: Working in term time and the holidays

This information is extracted from the HMRC web site:

[http://www.hmrc.gov.uk/students/work\\_in\\_term\\_and\\_hols\\_9\\_1.htm](http://www.hmrc.gov.uk/students/work_in_term_and_hols_9_1.htm)

There are special rules about tax for students who only work in the Easter, summer, and Christmas holidays (although these are currently being reviewed and are subject to change). These special rules do not apply if you also work at other times. If you work at other times, the special rules will not apply to any of your earnings, from holiday work or other work.

So if you are a student, and you do paid work in term time, the special rules will **not** apply to you. The normal rules for tax and National Insurance will apply to all your earnings, (term time and holidays) in the **same way that they do for other people who are not students.**

### Working as an employee in term time and the holidays Income Tax

If you had a previous job, your employer gave you a [form P45 \(PDF 65K\)](#) when you left. Give this to your new employer.

If you have no form P45, or you left your last job in an earlier tax year, you will need to complete a [form P46 \(PDF 59K\)](#) instead. Your new employer will provide this form.

Your new employer will use the form P45 or P46 to find out your tax code from the HM Revenue & Customs (HMRC). Using the tax code, your employer can work out correctly any tax you must pay.

If you have more than one job at the same time, you should contact the HMRC to get a different tax code for your second job.

You will only have to pay tax if you earn more than £6,475 personal allowance in the tax year (6 April 2010 to 5 April 2011), and this personal allowance is rising to £7,475 for tax year 2011/2012. For the tax year 2010/2011 this works out as £125 a week, or £540 a month. The tax code and the Pay As You Earn (PAYE) system spread any tax due across the year as evenly as possible. In this way, if you work throughout the year, you will pay the right amount of tax. If you give up work part way through the year, a refund may be due. You can check this using HMRC's student tax checker at <http://www.hmrc.gov.uk/calcs/stc.htm>

### National Insurance Contributions (NICs)

You pay the same NICs whether or not you are a student. Your employer will deduct NICs from your pay if they are due. NICs are due on your pay for the week or month, so you will not get a refund if you stop working part way through the tax year. NICs are due on your pay for the week or month, so you will not get a refund if you stop working part way through the tax year.

#### How to get an NI number

If you don't already have a NI number you must apply for one:

- as soon as you start work
- as soon as you or your partner claims benefit

To be able to apply you must be:

- over 16 years of age, resident in GB

To apply for a NI number you will need to telephone the Jobcentre plus NI allocation service helpline on 0845 600 0643. They will make sure you need a number and arrange for you to undertake an evidence of identity interview. Further information [www.direct.gov.uk](http://www.direct.gov.uk)