

## The different social statuses in United Kingdom

### Main Statuses

What are the main worker statuses in your country? (note bene: there may also be mixed statuses, for example independent as a complementary status)

In the United Kingdom main worker statuses is referred to as your employment status. In employment law a person's employment status helps determine:

- their rights
- their employer's responsibilities

### The main types of employment status are:

Status	Common Name	Legal Reference
Status 1	Worker	It is dependent on the individual contract as to what employment rights they will have
Status 2	Employee	Employment Law Act 1996 <a href="http://www.legislation.gov.uk/ukpga/1996/18/contents">http://www.legislation.gov.uk/ukpga/1996/18/contents</a> Health and safety at work Act 1974 <a href="http://www.hse.gov.uk/legislation/hswa.htm">http://www.hse.gov.uk/legislation/hswa.htm</a> Equality Act 2010 <a href="http://www.hse.gov.uk/legislation/hswa.htm">http://www.hse.gov.uk/legislation/hswa.htm</a>
Status 3	Self-employed and Contractor	Employment law doesn't cover self-employed people in most cases because they are their own boss. However, if a person is self-employed: they still have protection for their health and safety and, in some cases, protection against discrimination their rights and responsibilities are set out by the terms of the contract they have with their client
Status 4	Director	Directors have different rights and responsibilities from employees, and are classed as office workers for Tax and National Insurance contributions purposes.
Status 5	Office Holder	Office holders are neither employees nor workers. However, it's possible for someone to be an office holder and an employee if they have an employment contract with the same company or organisation that meets the criteria for employees. It is dependent on the individual contract as to what employment rights they will have

## **Definition of employment statuses**

### **Worker**

A person is generally classed as a 'worker' if:

- they have a contract or other arrangement to do work or services personally for a reward (your contract doesn't have to be written)
- their reward is for money or a benefit in kind, e.g. the promise of a contract or future work
- they only have a limited right to send someone else to do the work (subcontract)
- they have to turn up for work even if they don't want to
- their employer has to have work for them to do as long as the contract or arrangement lasts
- they aren't doing the work as part of their own limited company in an arrangement where the 'employer' is actually a customer or client

### **Employee**

Someone who works for a business is probably an employee if most of the following are true:

- They're required to work regularly unless they're on leave, e.g. Holiday, sick leave or maternity leave.
- they're required to do a minimum number of hours and expect to be paid for time worked
- a manager or supervisor is responsible for their workload, saying when a piece of work should be finished and how it should be done
- they can't send someone else to do their work
- the business deducts tax and National Insurance contributions from their wages
- they get paid holiday
- They're entitled to contractual or statutory sick pay and maternity or paternity pay.
- they can join the business's pension scheme
- the business's disciplinary and grievance procedures apply to them
- they work at the business's premises or at an address specified by the business
- their contract sets out redundancy procedures
- the business provides the materials, tools and equipment for their work
- they only work for the business or if they do have another job, it's completely different from their work for the business
- their contract, statement of terms and conditions or offer letter (which can be described as an employment contract) uses terms like 'employer' and 'employee'
- An employee shareholder is someone who works under an employment contract and owns at least £2,000 worth of shares in the employer's company or parent company.

### **Self Employed**

A person is self-employed if they run their business for themselves and take responsibility for its success or failure.

- Self-employed workers aren't paid through PAYE, and they don't have the employment rights and responsibilities of employees

- Someone can be both employed and self-employed at the same time, e.g. if they work for an employer during the day and run their own business in the evenings.

### **Contractor**

A contractor can be:

- self-employed
- a worker or an employee if they work for a client and are employed by an agency
- There's a special scheme for self-employed contractors and sub-contractors working in the construction industry called the construction Industry Scheme (CIS).

### **Director**

Company directors run limited companies on behalf of shareholders.

- Directors have different rights and responsibilities from employees, and are classed as office workers for Tax and National Insurance contributions purposes.
- If a person does other work that's not related to being a director, they may have an employment contract and get employment rights.

### **Office Holder**

A person who's been appointed to a position by a company or organisation but doesn't have a contract or receive regular payment may be an office holder. This includes:

- statutory appointments, e.g. registered company directors or secretaries, board members of statutory bodies, or crown appointments
- appointments under the internal constitution of an organisation, e.g. club treasurers or trade union secretaries
- appointments under a trust deed, e.g. trustees
- ecclesiastical appointment, e.g. members of the clergy
- Office holders are neither employees nor workers. However, it's possible for someone to be an office holder and an employee if they have an employment contract with the same company or organisation that meets the criteria for employees.

### **The Case of Artists and Creative Professionals**

Among these, what are the main statuses practiced by project workers / emerging artists / creative professionals?

- Employee
- Self-employed (freelance)

**Describe the main features of these statuses**

#### **1. Work Arrangements**

	Employee	Self-employed (freelance)
Subordination link	Yes	Yes/dependent on Contract

Definition of roles and duties embedded within the employment relationship	A contract defines the roles and duties of employer and employee on the basis of the contract (the contract may be permanent temporary or fixed term).	A contract defines the roles and duties of the self-employed contract worker on the basis of the contract (the contract may be permanent temporary or fixed term).
Wage payment guarantee	The rate of hourly pay or salary and schedule of payment e.g. weekly, monthly should be stated in the terms of the contract.	The rate of hourly pay and schedule of payment e.g. weekly, staged payments, should be stated in the terms of the contract.
Payment /reimbursement of work-related expenses	It should be clearly defined in the contract what/ if any work related payments are covered e.g. travel expenses, company car allowance. The payment schedule of these should be clearly defined e.g. some expenses might be paid separately to your monthly salary.	It should be clearly defined in the contract what/ if any work related payments are covered e.g. travel expenses, materials expenses. The payment schedule of these should be clearly defined e.g. if a separate invoice must be produced for payment of expenses.
Other (VAT)	The company you work for would be liable for any VAT payments owed	You only need to register to pay VAT once you reach the VAT registration threshold (£83,000 for a 12-month period ending in 2016/17).

## 2. Costs

For each type, describe to which entity, how often, what amounts (use approximate values where needed).

	Employee 1	Self-employed/Contractor
<b>Social contributions</b>	Deductions for dependent children from other marriages	Deductions for dependent children from other marriages
to whom	Child support Agency or direct to spouse	Child support Agency or direct to spouse
what frequency	As arranged e.g. weekly/monthly/from your salary	You would need to make an independent arrangement to pay either a weekly or monthly set amount from your bank account
calculation base	Dependent on your weekly income a rate will be applied to your gross income there are 4 rates - flat reduced, basic and basic plus.	Dependent on your weekly income a rate will be applied to your gross income there are 4 rates - flat reduced, basic and basic plus.
<b>Social contributions</b>	Student Loan	Student Loan

to whom	Student loan company	Student loan company
what frequency	Weekly/monthly/2 weekly/4 weekly /calendar month direct from your salary	You would need to make an independent arrangement to pay either a weekly/monthly/2 weekly/4 weekly /calendar month fee from your bank account
calculation base	The earnings threshold is: £336 a week £1,457 a month £17,495 a year You pay 9% of your income over the threshold. e.g. if you are paid monthly and earn £1,750 before tax per month you would repay 9% of the difference between what you earn and what the threshold is: $£1,750 - £1,457 = £293 - 9\% \text{ of } £293 = £26$	The earnings threshold is: £336 a week £1,457 a month £17,495 a year You pay 9% of your income over the threshold. e.g. if you are paid monthly and earn £1,750 before tax per month you would repay 9% of the difference between what you earn and what the threshold is: $£1,750 - £1,457 = £293 - 9\% \text{ of } £293 = £26$
<b>Social contributions</b>	Trade Union/Professional organisations,	Trade Union/Professional organisations,
to whom	Trade Union organisation or Professional Association i.e. Royal Institution of British Architects (RIBA)	Trade Union organisation or Professional Association i.e. Royal Institution of British Architects (RIBA)
what frequency	Monthly/yearly subscription direct from your salary	You would need to arrange a Monthly/yearly subscription from your bank account
calculation base	May be based on annual income or have a tiered subscription rate	May be based on annual income or have a tiered subscription rate

### 3. Personal Income Tax

	Employee 1	Self-employed/Contractor
Taxation applied on net income (% in function of range of net income) for single and couples	Pay As You Earn (PAYE) <ul style="list-style-type: none"> <li>This is the system your employer or pension provider uses to take</li> </ul>	Self-Assessment is a system HM Revenue and Customs (HMRC) uses to collect Income Tax. Tax is usually deducted automatically from

with/without children	<p>Income Tax and National Insurance contributions before they pay your wages or pension.</p> <ul style="list-style-type: none"> <li>Your Tax code tells your employer how much to deduct.</li> <li>Your tax code can take account of state benefits, so if you owe tax on them (e.g. the State Pension) it's usually taken automatically from your other income.</li> <li>A person may be an employee in employment law but have a different status for tax purposes. Employers must work out each worker's status in both employment law and tax law</li> </ul>	<p>wages, pensions and savings. People and businesses with other income must report it in a tax return. You fill it in after the end of the tax year (5 April) it applies to. You need to keep records (e.g. bank statements or receipts) so you can fill in your tax return correctly.</p> <p>Paying your bill</p> <ul style="list-style-type: none"> <li>HMRC will calculate what you owe based on what you report.</li> <li>Pay your self-assessment bill by 31 January (or 30 December if you want HMRC to collect tax automatically from your wages or pension).</li> <li>How much tax you pay will depend on the Income Tax band you're in. There's a different rate for capital gain tax if you need to pay it, e.g. you sell shares or a second home.</li> </ul>
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#### 4. Social Security

	Employee 1	Self-employed/Contractor
Healthcare	<p>National Health Service Healthcare in England is mainly provided by England's public health service, the NHS that provides healthcare to all permanent residents of the United Kingdom that is free at the point of use and paid for from general taxation.</p>	<p>National Health Service Healthcare in England is mainly provided by England's public health service, the NHS that provides healthcare to all permanent residents of the United Kingdom that is free at the point of use and paid for from general taxation.</p>
Sickness and Disability Allowance	<ul style="list-style-type: none"> <li>You can get £88.45 per week Statutory Sick Pay (SSP) if you're too ill to work. It's paid by your employer for up to 28 weeks.</li> <li>You need to qualify for SSP and have</li> </ul>	<ul style="list-style-type: none"> <li>Employment law doesn't cover self-employed people in most cases because they are their own boss.</li> <li>However, if a person is self-employed: they still have protection for</li> </ul>

	<p>been off work sick for 4 or more days in a row (including non-working days).</p> <ul style="list-style-type: none"> <li>You can't get less than the statutory amount. You can get more if your company has a sick pay scheme (or 'occupational scheme') - check your employment contract.</li> <li>There are different sick pay rules for agricultural workers Agricultural Sick Pay (ASP) means you're paid at least the Agricultural Minimum Wage when you're off work sick. It includes any Statutory Sick Pay you might be entitled to.</li> </ul> <p><b>Disability Allowances</b></p> <ul style="list-style-type: none"> <li>Disability Living Allowance (DLA) is a tax-free benefit for disabled people who need help with mobility or care costs.</li> <li>Blind Person's Allowance is an extra amount of tax-free allowance it means you can earn more before you start paying Income Tax.</li> </ul> <p><b>Personal Independent Payment (PIP)</b></p> <ul style="list-style-type: none"> <li>Helps with some of the extra costs caused by long-term ill-health or a disability if you're aged 16 to 64.</li> <li>You could get between £21.80 and £139.75 a week</li> <li>The rate depends on how your condition affects you, not the condition itself.</li> <li>You'll need an assessment to work out the level of help you get. Your rate will be regularly reassessed to make sure you're getting the right support.</li> </ul>	<p>their health and safety and, in some cases, protection against discrimination their rights and responsibilities are set out by the terms of the contract they have with their client</p> <p><b>Disability Allowances</b></p> <ul style="list-style-type: none"> <li>Disability Living Allowance (DLA) is a tax-free benefit for disabled people who need help with mobility or care costs.</li> <li>Blind Person's Allowance is an extra amount of tax-free allowance it means you can earn more before you start paying Income Tax.</li> </ul> <p><b>Personal Independent Payment (PIP)</b></p> <ul style="list-style-type: none"> <li>Helps with some of the extra costs caused by long-term ill-health or a disability if you're aged 16 to 64.</li> <li>You could get between £21.80 and £139.75 a week</li> <li>The rate depends on how your condition affects you, not the condition itself.</li> <li>You'll need an assessment to work out the level of help you get. Your rate will be regularly reassessed to make sure you're getting the right support.</li> </ul>
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Work accidents and professional disease	Refer to Statutory Sick Pay (SSP)	Refer to above section
Family Allowances	<p>Child Benefit</p> <ul style="list-style-type: none"> <li>You get Child Benefit if you're responsible for a child under 16 (or under 20 if they stay in approved education or training).</li> <li>Only one person can get Child Benefit for a child.</li> <li>You must report any change of circumstances to the Child Benefit Office.</li> <li>You may have to pay a tax charge if your or your partner's individual income is over £50,000.</li> <li>You can choose not to get Child Benefit payments, but you should still fill in the claim form because: it will help you get national insurance contributions credits which count towards your state pension it will ensure your child is registered to get a National Insurance number when they are 16 years old</li> </ul>	<p>Child Benefit</p> <ul style="list-style-type: none"> <li>You get Child Benefit if you're responsible for a child under 16 (or under 20 if they stay in approved education or training).</li> <li>Only one person can get Child Benefit for a child.</li> <li>You must report any change of circumstances to the Child Benefit Office.</li> <li>You may have to pay a tax charge if your or your partner's individual income is over £50,000.</li> <li>You can choose not to get Child Benefit payments, but you should still fill in the claim form because: it will help you get national insurance contributions credits which count towards your state pension it will ensure your child is registered to get a National Insurance number when they are 16 years old</li> </ul>
Maternity Leave	<p>When you take time off to have a baby you might be eligible for: Statutory Maternity Leave which is 52 weeks. It's made up of:</p> <ul style="list-style-type: none"> <li>Ordinary Maternity Leave - first 26 weeks</li> <li>Additional Maternity Leave - last 26 weeks</li> <li>You don't have to take 52 weeks but you must take 2 weeks' leave after your baby is born (or 4 weeks if you work in a factory).</li> </ul> <p>Statutory Maternity Pay (SMP) is paid for up to 39 weeks. You get:</p> <ul style="list-style-type: none"> <li>90% of your average weekly earnings (before tax) for the first 6 weeks</li> <li>£139.58 or 90% of your</li> </ul>	<p>Maternity Allowance</p> <p>Maternity allowance is usually paid to you if you don't qualify for Statutory maternity pay</p> <p>The amount you can get depends on your eligibility</p> <p>You can claim maternity allowance as soon as you've been pregnant for 26 weeks. Payments can start 11 weeks before your baby is due.</p>

	<p>average weekly earnings (whichever is lower) for the next 33 weeks</p> <ul style="list-style-type: none"> <li>• SMP is paid in the same way as your wages (e.g. monthly or weekly). Tax and National Insurance will be deducted.</li> <li>• If you take shared parental leave you'll get Statutory Shared Parental Pay (ShPP). is £139.58 a week or 90% of your average weekly earnings, whichever is lower</li> <li>• SMP usually starts when you take your maternity leave.</li> <li>• It starts automatically if you're off work for a pregnancy-related illness in the 4 weeks before the week (Sunday to Saturday) that your baby is due.</li> </ul> <p><b>Paternity Leave</b> When you take time off because your partner's having a baby, adopting a child or having a baby through a surrogacy arrangement you might be eligible for:</p> <ul style="list-style-type: none"> <li>• 1 or 2 weeks paid Paternity Leave</li> <li>• If your child was due or placed for adoption on or after 5 April 2015, you may not get both leave and pay, and there are rules on how to claim and when your leave can start.</li> </ul>	
Pension	<p><b>Work place pension</b> A workplace pension is a way of saving for your retirement that's arranged by your employer. Some workplace pensions are called 'occupational', 'works', 'company' or 'work-based' pensions. How they work</p> <ul style="list-style-type: none"> <li>• A percentage of your pay is put into the pension scheme automatically every payday. In most cases, your</li> </ul>	<p><b>Pensions for the self-employed</b> If you're self-employed, saving into a pension can be a more difficult habit to develop than it is for people in employment. There are no employer contributions and irregular income patterns can make regular saving difficult.</p> <ul style="list-style-type: none"> <li>• If you're self-employed you're entitled to the State Pension in the same way as anyone else. The full basic State Pension is</li> </ul>

	<p>employer also adds money into the pension scheme for you, and you get tax relief from the government.</p> <p>Automatic enrolment A new law means that every employer must automatically enrol workers into a workplace pension scheme if they:</p> <ul style="list-style-type: none"> <li>• are aged between 22 and State Pension age</li> <li>• earn more than £10,000 a year</li> <li>• work in the UK</li> </ul>	<p>currently set at £119.30 a week for those who reached State Pension age before 6 April 2016. To get the full amount you need 30 qualifying years of National Insurance contributions or credits (more if you reached State Pension age before 6 April 2010).</p> <ul style="list-style-type: none"> <li>• For those who reach the State Pension age on or after 6 April 2016, you'll get the new flat rate State Pension which is a maximum of £155.65 per week.</li> <li>• But that's the extent of your entitlement to the State Pension – you can only claim the additional State Pension if you've had periods of employment during your working life.</li> </ul>
Unemployment	<p>Job Seekers allowance You can get Jobseeker's Allowance (JSA) if all of the following apply:</p> <ul style="list-style-type: none"> <li>• You're 18 or over (there are some exceptions if you're 16 or 17).</li> <li>• you're under state pension age</li> <li>• you're not in full-time education</li> <li>• you're in England, Scotland or Wales</li> <li>• you're available for work</li> <li>• you're actively seeking work</li> <li>• you work on average less than 16 hours per week</li> <li>• The rules are different in Northern Ireland</li> </ul> <p>Full-time students</p> <ul style="list-style-type: none"> <li>• Full-time students can't usually get JSA until their course has officially finished - check the date with your college or university.</li> <li>• If you have children, you may be able to</li> </ul>	<p>Job Seekers allowance You can get Jobseeker's Allowance (JSA) if all of the following apply:</p> <ul style="list-style-type: none"> <li>• You're 18 or over (there are some exceptions if you're 16 or 17).</li> <li>• you're under state pension age</li> <li>• you're not in full-time education</li> <li>• you're in England, Scotland or Wales</li> <li>• you're available for work</li> <li>• you're actively seeking work</li> <li>• you work on average less than 16 hours per week</li> <li>• The rules are different in Northern Ireland</li> </ul> <p>Full-time students</p> <ul style="list-style-type: none"> <li>• Full-time students can't usually get JSA until their course has officially finished - check the date with your college or university.</li> <li>• If you have children, you may be able to claim JSA during the summer holiday.</li> </ul>

	<p>claim JSA during the summer holiday.</p> <p>Part-time students</p> <ul style="list-style-type: none"> <li>You can get JSA while studying part time (including part-time Open University Courses) as long as:</li> <li>you take a job if it's offered to you</li> <li>you do everything you can to look for work, as agreed with your work coach</li> <li>If you want to take a short course (2 weeks or less), check with your work coach before you start.</li> </ul> <p>New or recently returned to the UK</p> <ul style="list-style-type: none"> <li>You may be able to get JSA if you can prove you've been living in the UK, the Isle of Man, the Republic of Ireland or the Channel Islands for at least 3 months before you claim, and you're either: <ul style="list-style-type: none"> <li>a UK national who's recently returned from abroad and you haven't worked since coming back</li> <li>an EEA National *</li> </ul> </li> </ul>	<p>Part-time students</p> <ul style="list-style-type: none"> <li>You can get JSA while studying part time (including part-time Open University Courses) as long as:</li> <li>you take a job if it's offered to you</li> <li>you do everything you can to look for work, as agreed with your work coach</li> <li>If you want to take a short course (2 weeks or less), check with your work coach before you start.</li> </ul> <p>New or recently returned to the UK</p> <ul style="list-style-type: none"> <li>You may be able to get JSA if you can prove you've been living in the UK, the Isle of Man, the Republic of Ireland or the Channel Islands for at least 3 months before you claim, and you're either: <ul style="list-style-type: none"> <li>a UK national who's recently returned from abroad and you haven't worked since coming back</li> <li>an EEA National *</li> </ul> </li> </ul>
<p>Holiday pay</p>	<p>Almost all employees are legally entitled to 5.6 weeks' paid holiday per year (known as statutory leave entitlement or annual leave). An employer can include bank holidays as part of statutory annual leave.</p> <p><b>Working 5 days a week</b></p> <p>Most workers who work a 5-day week must receive 28 days' paid annual leave per year. This is calculated by multiplying a normal week (5 days) by the annual entitlement of 5.6 weeks.</p> <p><b>Working part-time</b></p> <p>Part-time workers are also entitled to a minimum of 5.6 weeks of paid holiday each year, although this may amount to fewer actual days of paid</p>	<p>No entitlement to paid holidays</p>

	holiday than a full-time worker would get.	
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**\*European Economic Area (EEA) countries**

The following countries have benefits arrangements with the UK: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.

**5. Mixed Status**

Are there any mixed statuses, such as the status "mixed independent"?  
If so, please detail the statuses' conditions and contributions.

You can have several statuses whilst working in the United Kingdom e.g. you can be an employee, self-employed and a director of a company all at the same time, but you must ensure you have informed the Tax office of your mixed status and registered as self-employed and obtain a unique tax reference number for self-assessment purposes. You must also contact and pay National insurance contributions.

**Imprint**

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