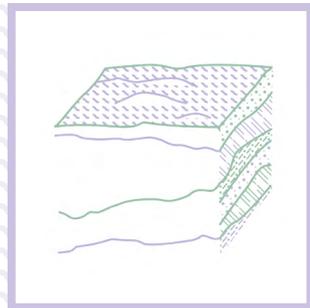


Groundwerk Self-Employment for Creatives

Shakya Campbell



Going it alone in the world of work can be incredibly freeing and affords individuals flexibility and control in forging the career of their choosing. However, freelancing can also feel daunting, and often lacks the security built into other employment structures. In this resource, learn how to set up as a freelancer.

Read about how to successfully complete a tax return as a self-employed artist or creative, and how to account for your future by setting up a freelance pension.

Gain an understanding of how to identify a good contract and what your rights are as a freelancer working for an organisation.

Top Tips

Timing is everything - start early.

Diarise the deadlines of when to both submit and to make the necessary payment of your Tax Return.

Update your spreadsheet weekly to keep a track of all expenditure.

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Setting up as a freelancer

How do I know if I am self-employed?

- You run your business for yourself and take responsibility for its success or failure.
- You have several clients at the same time.
- You can decide how, where and when you do your work.
- You can hire other people at your own expense to help you or to do the work for you.
- You provide the main items of equipment to do your work.
- You are responsible for finishing any unsatisfactory work in your own time.
- You charge an agreed fixed price for your work.
- You sell goods or services to make a profit (including through websites or apps).

It's worth noting that you can be both employed and self-employed at the same time. For example, if you work for an employer during the day and run your own business in the evenings you are both employed and self-employed.

You can check if you need to fill in a Self Assessment tax return via the below link: www.gov.uk/check-if-you-need-a-tax-return

7 easy steps to setting up as a freelancer

1. Create a 'Government Gateway' account (<https://www.access.service.gov.uk/registration/email>)
2. Log in to your Government Gateway account and select 'Add a tax'.
3. Select 'Self Assessment' for the type of tax you want to add.
4. Enter the date you started working for yourself.
5. Submit basic details about you as an individual for HMRC.
6. Submit basic details about the type of self-employed work you do.
7. Review and submit your request to register as self-employed.

Setting up a self-employed pension scheme

There are three types of personal pensions:

1. Ordinary Personal Pensions - which are offered by most large providers i.e. Aviva, Standard Life etc.
2. Stakeholder Pensions - where the maximum charge is capped at 1.5% and you can stop and start premiums without penalty.
3. Self-invested Personal Pensions - which have a wider range of investment options, but usually higher charges.

Pension tax benefits at a top up of 25%:

You Pay	Government Pays	Start Saving at age	Pension pot at 65
£100	£25	30	£70,000
£100	£25	40	£46,000
£100	£25	50	£25,000*

*Assuming savings grew at 5% a year and charges were 0.75% a year

Tips for becoming a successful freelancer

- Deliver exceptional work!
- Keep you client/gallerist abreast of developments whilst providing clear lines of communication.
- Be a self-starter who can work independently.
- When problems occur, have solutions.
- Deliver work within the deadline/timeframe given to you by your client/gallerist.
- Always deliver the brief you're given. The briefing stage is the time at which you should iron out any queries you have.
- Market your work and portfolio by having a website.
- Have a number of platforms buyers, collectors, clients, gallerist, your peers and those you admire can connect with you. Having a social media presence as an artist/

creative can be useful in this way. Ensure any work-related social media accounts are connected with your website to keep all media lines of communication aligned.

- Stay on top of your administrative duties. This includes issuing invoices when work is completed and remaining on top of your weekly/monthly earnings to file your necessary annual tax returns.



- You can use accounting software to keep track of your accounts, or can simply use a spreadsheet, such as [this one](#). Feel free to download and customise this example document to best suit your needs.

- Ensure the date of your books or accounts are made up to 5th April, which is the end of any given tax year, to make filing your return easier.

Completing a Tax Return

How do I know whether I should complete a tax return?

- Your income generated from being self-employed was more than £1,000 (known as your trading allowance).
- You gained over £2,500 in other untaxed income, for example from tips or commission.
- You generated income from abroad that you needed to pay tax on .
- Your income or partners income was over £50,000 and one of you claimed Child Benefit.

- Your income from dividends from shares, a second home or other changeable assets
- You lived abroad and had a UK income
- Your taxable income was over £100,000

Documentation to keep on file for your tax return

- Invoices
- Mileage logs
- Expenses receipts
- Bank statements showing transactions, charges and interest
- Transaction details
- Vat returns (where applicable)

Take advantage of tax-deductible expenses

As a self-employed individual, you can claim the following costs as allowable expenses:

- Office costs, e.g. stationery or phone bills
- Travel costs, e.g. fuel, parking, train or bus fares
- Clothing expenses, e.g. uniforms
- Staff costs, e.g. salaries or subcontractor costs
- Things you buy to sell on, e.g. stock or raw materials
- Financial costs, e.g. insurance or bank charges
- Costs of your business premises, e.g. heating, lighting, business rates
- Advertising or marketing, e.g. website costs
- Gift Aid on Charitable Contributions
- Membership costs for museums and conservation charities

Identifying a good contract

When presented with a contract, read, understand and confirm that it reflects what has been verbally agreed between you and your client/employer.

Ensure your contract pages are numbered in order to avoid additional pages being added after signing.

If there are any variations of contracts in the form of a contract addendum make sure you understand it before agreeing.

Identify whether the schedule of work/services are included. If the schedule of work is not included, request for it to be included or provided as an attachment or as a standalone document which is explicitly referenced in the contract.

Regularly review your contracts/standard agreements to ensure they reflect most recent law.



Your Rights as a Freelancer

Legal rights as a freelancer

You do not have employment rights as such when working as a Freelancer. However you do have legal protection for the following:

Discrimination – You can make a claim to an employment tribunal if you are a Freelancer who falls under Part 5 or section 83 of the Equality Act 2010.

Safety – You are entitled as a Freelancer to work in a safe and healthy working environment.

The Conduct of Employment Agencies and Employment Business Regulations 2003
- As a contractor working through Employment Agencies you have rights.

Legal rights not accessible to freelancers

Your client company's sick leave, company maternity pay or company pension provisions. It's really important that you set your rate of pay to adequately reflect this lack of secure provision.

The legal right to protection under your client's company's internal disciplinary and grievance schemes.



The legal right not to be dismissed (always, however, read the contract of service you have agreed as this may contain clauses relating to termination of your agreement and time-periods).

Further Reading and Resources

Guidance and support

- HM Revenue and Customs (HMRC)

gov.uk/government/organisations/hm-revenue-customs

Guidance and resources on self-assessment, national insurance, and more. You can call HMRC for advice on completing your self assessment. Lines are open Monday to Friday, 8am to 8pm, Saturday, 8am-4pm; Sunday, 9am-5pm.

Telephone: +44 (0)300 200 3310

Textphone: +44 (0)300 200 3319

- The Advisory, Conciliation and Arbitration Service (ACAS)

acas.org.uk

You can call ACAS for advice on employment related issues as either an employee, employer and representative Lines are open Monday to Friday, 8am to 6pm.

Telephone: +44 (0)300 123 1100

Text relay service: 18001 0300 123 1100

Selected self-employed pension providers:

- Aviva

aviva.co.uk/retirement/aviva-pension

Sign up for a self-employed private pension.

- National Employment Saving Trust (Nest)

nestpensions.org.uk

Sign up for a self-employed government scheme.

- PensionBee

pensionbee.com

Sign up for a self-employed pension and combine your old pensions into one.

- Standard Life

standardlife.co.uk

Sign up for a self-employed private pension, and make use of their Pension Calculator: <https://www.standardlife.co.uk/pensions/tools/pension-calculator>

Talks and articles

- [Self Employed Pensions. The Buzz by PensionBee, 2017](#)

- [Self-employed? 5 smart ways to save for your future. Money Plus Features Team for Standard Life, 2017.](#)

- [Lesley Furber, The Conduct of Employment Agencies and Employment Businesses Regulations 2003. Crunch, 2019.](#)

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Founded in 2013 by Croydon locals, Turf Projects is the first entirely artist-run contemporary art space in Croydon, South London. A registered charity (#1160527), Turf has supported the work of over 400 artists to date through a programme of free public exhibitions, workshops and events.

turf-projects.com // [@turfprojects](https://twitter.com/turfprojects)



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