



# Fancy Being Your Own Boss?

The idea of being your own boss is seductive. No more working for somebody else, no more orders, or unreasonable demands, no prospect of being sacked or made redundant and time-off whenever you want.

However there are numerous matters that you should be aware of before making the leap to company boss.

- You need to register as self-employed with the Inland Revenue.
- You will still have to pay NICs.
- If you have an annual turnover of more than £56,000.00, you must charge VAT.
- You will need to set up payroll arrangements for employees.
- You will also have wide-ranging obligations as a new employer. These will include, to name but a few:
  - Obtaining Employers' Liability Insurance; - Paying the National Minimum Wage - (£4.50/£3.80). - Observing the rules on working time.
  - Paying employees a minimum of 4 weeks' annual leave.
  - Not discriminating against any employee or treat them less favourably because of their race, sex, religious belief, sexual orientation or disability.
  - Being responsible for the health, safety and welfare of your employees whilst still at work.

In order to turn a good idea into a good business you should consider:

- Preparing a Business Plan.
- Writing a Marketing Plan.
- Seeking specialist legal advice at the earliest opportunity - in relation not only to the exciting corporate matters involved in setting up your own business but also what seem to be the more mundane issues, like your obligations as a new employer.

The number of employer obligations is increasing, particularly via the various Directives from Europe. The penalties for failing to comply are significant - for example, the compensation that may be awarded to employees who are discriminated against is unlimited, whilst the current maximum compensation for unfair dismissal is £53,500.00 (soon to increase to £55,000.00).

New employers often think that they will be exempt from many of the above obligations, but this is rarely the case. Further, the situation will not be improved by "burying your head in the sand". By seeking early advice you can ensure that your new business is not only the exciting opportunity you hope it will be, but also complies with the relevant legislation.

If you require any further information please contact Alison Loveday on 0161 833 9211 and [alisonl@berg.co.uk](mailto:alisonl@berg.co.uk).