

10 tips on minding your own business

If you lose your job in the looming recession, self-employment may be your only option.

Kevin Pratt tells you how to go it alone

THE worsening global economic crisis has raised the spectre of recession — and redundancy. Many people who lose their jobs will be tempted to go it alone and sink their redundancy payoff into businesses of their own, swelling the ranks of the self-employed.

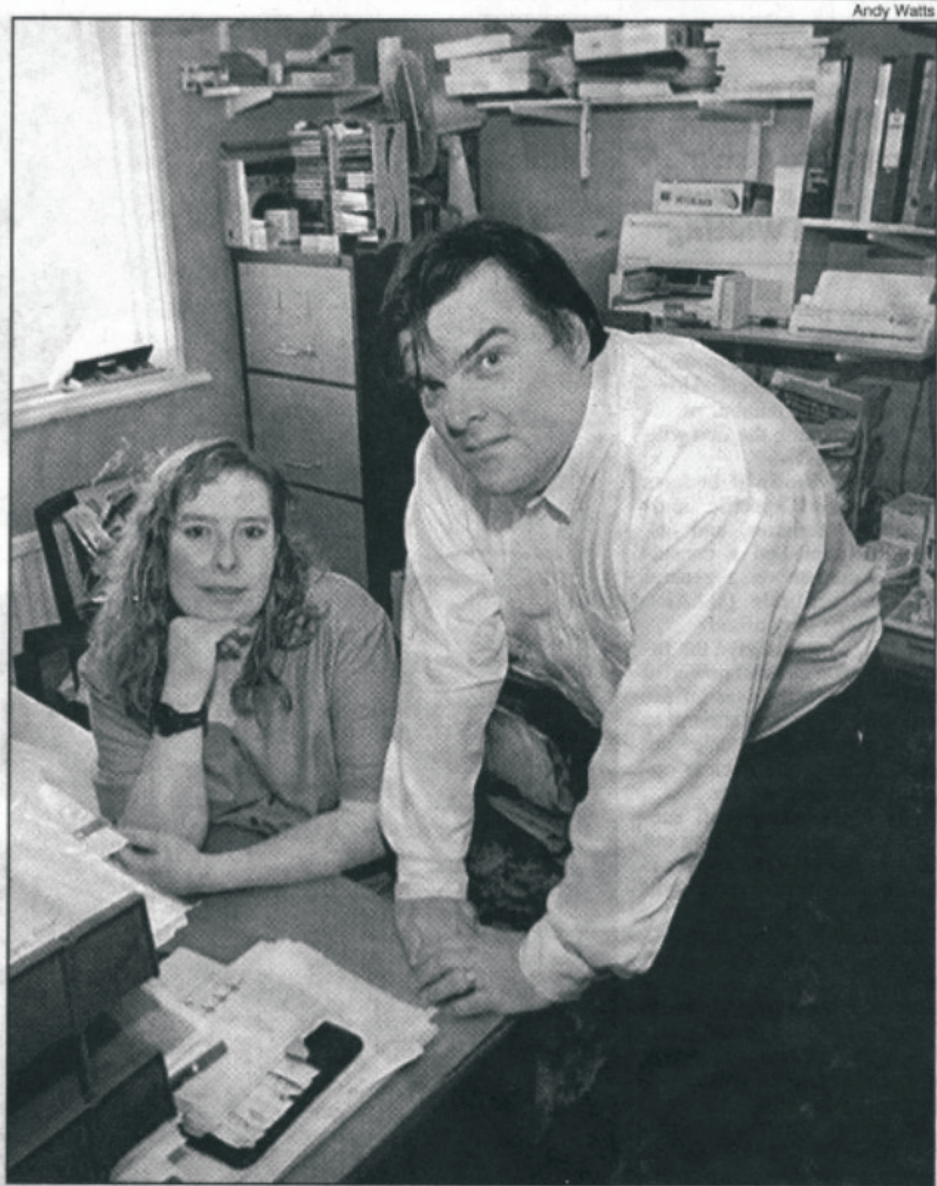
There are already about 4m self-employed people in Britain, many of whom work from home. They face a unique set of challenges, from managing their tax affairs to keeping their working hours under control. Here are 10 tips to succeed if you go it alone.

1 Get an accountant

Expert advice is essential if you are to stay on the right side of the taxman and make the most of the rules that govern self-employment. You can claim a host of reliefs and offset many expenses against income. An accountant will guide you through the intricacies of the self-assessment process, which can be particularly challenging if your financial year of account is different from the standard tax year (April 6–April 5).

Your accountant will also advise you on National Insurance Contributions (NICs). Unless your profit is below £3,590, you will have to pay Class 2 NICs of £6.35 a week. If your profit is below this level, it can still be worth paying NICs because they entitle you to unemployment and incapacity benefits. If your income tops £7,310, you pay Class 4 NICs. These are levied on profits between this figure and £25,220 at a rate of 6%, so the maximum you will pay a year in Class 4 NICs is £1,074.60.

Some newly redundant workers begin their self-employed careers with a large consultancy commission from their old firm, or find that the vast bulk of their work comes from a single source. If this is the case, check your tax status with your tax office and the Contribu-



Colin and Nicola aim to help 'unsung heroes get the recognition they deserve'

Discipline is the key

COLIN RAINE and Nicola Ryan-Raine run the National Vocational Qualification Assessment Centre for Autism Specific Services from their home near Bedford. Authorised by City & Guilds, they verify the training work done by those caring for autistic people to ensure that standards associated with NVQs are maintained. They decided to set up their own business because they saw that skilled people were doing demanding work with no official recognition. "These jobs require high levels of knowledge, skill and aptitude," says Nicola. NVQs enable people to achieve nationally recognised qualifications that measure those skills.

"We are helping unsung heroes get the recognition they deserve," she says. Colin, a former nurse and counsellor, and Nicola took the plunge and went full-time with their venture in August. He says the work is demanding but is hungry for more: "Managing a nationwide service from home is not the easiest of challenges. It requires discipline, give and take, commitment and 35,000 miles a year. Work hard, play hard is the motto and we already have plans to extend the centre to incorporate other fields of care, administration and IT."

□ NVQ Assessment Centre for Autism Specific Services 01525 713301