

Self-employment

A person is usually self-employed if they are their own boss.

Self-employed status is not defined in employment law. It's a category used by HM Revenue and Customs (HMRC) for tax purposes.

Self-employed people have very few employment rights.

What makes someone self-employed

Someone is likely to be self-employed if they:

- are responsible for how and when they work
- are the owner of a company or a freelancer
- invoice for their pay instead of getting a wage
- get contracts to provide services for clients
- are able to work for different clients and charge different fees
- are able to send someone else to do the work for them

When someone might not be genuinely self-employed

Someone may not be genuinely self-employed if their working relationship is more similar to an [employee](#) or a [worker](#).

For example:

- they cannot choose when or where they work
- they're told how much holiday they can take and need to get permission to take it
- they're given instructions on how to do their work
- their work equipment is provided
- they get payslips instead of being paid through invoices

If someone is told by an organisation that they're self-employed, this does not always mean they are. Some employers tell people who work for them that they are self-employed when in reality they're not.

This could be because the employer does not clearly understand employment status.

In other cases, this could be a deliberate choice so the employer can:

- control how and when the work is done
- avoid giving people the legal rights of employees or workers, for example paid holiday

Employment rights

Self-employed people have limited employment rights. They have:

- protection for their health and safety on a client's premises
- protection against [discrimination](#)

They do not have the rights that employees or workers have. For example, they do not get sick pay when they're not well enough to work.

The benefits of being self-employed include:

- more control over how, when and where to work
- potential to earn more money
- a more flexible lifestyle

Contractors and freelancers

Someone might be given a contract for services and be called a contractor or freelancer if they're:

- self-employed
- a worker or employee [getting work through an agency](#)

Depending on the working relationship, for the duration of the contract they could be:

- self-employed
- a [worker](#)
- an [employee](#)

The client and the contractor or freelancer should:

- be clear about employment status
- reflect the nature of the working relationship and the employment status of the contractor or freelancer clearly in the contract
- make sure what happens in practice matches the contract – if the working relationship changes, they should discuss this and agree how to update the contract

Tax rules for contractors

'IR35' rules might apply to someone who is a contractor. These rules make sure contractors pay the same Income Tax and National Insurance as an employee would. Read [GOV.UK guidance on understanding off-payroll working \(IR35\)](#).

Self-employed contractors and sub-contractors working in the construction industry also have responsibilities under the [Construction Industry Scheme \(CIS\)](#) for tax purposes.

Raising a work problem

If someone who is self-employed has a work problem, they can raise this informally with the client they're doing work for.

If they cannot resolve the issue, they might want to take more formal steps.

Self-employed people cannot usually make a claim to an employment tribunal. However, there are other courts they can use.

For example, if an invoice has not been paid, they can go to county court in England and Wales or sheriff court in Scotland.

Find out how to make a court claim for money in:

- [England and Wales on GOV.UK](#)
- [Scotland on the Scottish government website](#)

Get more advice and support

If you have any questions about employment status, [contact the Acas helpline](#).

You can also find out more about:

- [self-employed and contractor status on GOV.UK](#)
- [employment status and employment rights on GOV.UK](#)