



# SELF-EMPLOYED NANNIES

## Can a Nanny be self-employed?

We're often asked this at Nannytax, but the answer isn't straight forward. Self-employment in nannying can quickly become complicated particularly when it comes to declaring the correct tax, who becomes responsible when payments are missed and establishing the nanny's rights as an employee.

In some cases, HMRC will grant a nanny's self-employment status but there are still risks that involve both the employer and the nanny, all of which must be carefully considered. Below we have answered the top FAQs to help cover this tricky topic.

## What is the difference between employed and self-employed?

Someone who is 'employed' can be told at any time what to do and where to carry out their work, they are paid by the hour, week, or month and can also be paid overtime and bonuses. An individual considered 'self-employed' can agree to do a job for a fixed price regardless of how long the job may take and often work for several different families - deciding what to do and where to provide their services.

Generally speaking, nannies cannot be classed as self-employed as their role takes place in the employer's home and provides a more flexible childcare option, tailored to suit each individual family. In comparison, a registered childminder is self-employed, works within their own home looking after several children at one time, setting their own fees and terms & conditions.

## What are the risks of self-employment for nannies?

Nannies should be made aware that being self-employed involves major disadvantages - a self-employed nanny will not be entitled to employment rights such as holiday, sick pay and maternity pay. The family can also easily terminate the employment without the nanny having any protection or recourse to the courts.

## What if a nanny was previously self-employed?

The transfer of self-employed status between jobs is not automatic and the family is responsible for requesting written confirmation of the nanny's self-employment status from HMRC. If it later comes to light that the nanny is not self-employed, it's the employer not the nanny who will be committing a criminal offence and pursued for unpaid taxes.

**Please note, this information has been provided for guidance only.**

**We recommend that a self-employed nanny contacts an accountant for advice relating to their legal duties.**



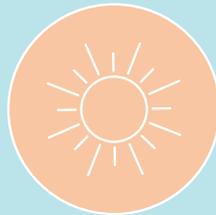
# BENEFITS OF BEING AN EMPLOYED NANNY

## Employed

Someone who is 'employed' is usually paid by the hour, week, or month and can be paid additionally for overtime and bonuses. They can also be told where to carry out their work and what duties to undertake.

## Self-Employed

An individual considered 'self-employed' can agree to do a job for a fixed price regardless of how long the job may take and regularly work for several different families - deciding what to do and where to provide their services.



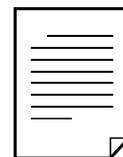
## Employee Rights

An employee has certain rights, which do not extend to self-employed individuals. These include; Holiday Entitlement, Sick Pay and Statutory Maternity.



### Notice Period

A nanny who is employed by a family will be given a notice period and may be entitled to redundancy, if their position comes to an end.



### HMRC Reporting Duties

As an employee, you will not have any reporting duties to undertake, as these will be taken care of by your employer.

Nannytax has free information and tools available via their website.  
For more information, simply visit: [www.nannytax.co.uk](http://www.nannytax.co.uk)