

# THE SUCCESS PLAN'S GUIDE TO SELF- ASSESSMENT FOR NETWORK MARKETERS

Becoming your own boss in network marketing is exciting and the sky really is the limit as to what you can achieve.

But what records do you need to keep? What are your legal responsibilities?

Here is a quick guide covering everything you need to know.



THE  
Success  
PLAN

## CONGRATULATIONS!

Starting your own business is an exciting opportunity.

You might want to become self-employed so that you can spend more time with your family, or so that you can focus on a project you're passionate about.

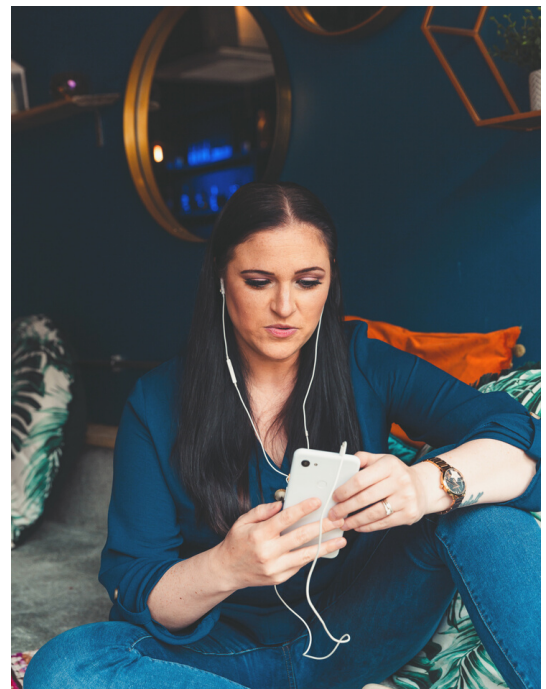
Becoming self-employed can be a lot to take on, but by taking things slowly, step-by-step and getting advice and support when needed, you can make your new business work for you and your family.

This guide is designed to give you a good basic knowledge of what is involved in getting started, your role and responsibilities as a business owner and is not designed to cover everything in great detail.

If you have a specific query please feel free to contact The Success Plan directly at [info@thesuccessplankellyroskell.co.uk](mailto:info@thesuccessplankellyroskell.co.uk) to book in a free business consultation.

You never know, it could be just what you need to get started!

Good luck in your new business!



**KELLY ROSKELL**  
**DIRECTOR**

## WHEN TO REGISTER AS SELF-EMPLOYED

... and so the adventure begins...

If you start working for yourself, you're classed as a sole trader.

This means you're self-employed - even if you haven't yet told HM Revenue and Customs (HMRC).

If you seek advice from a professional and a Limited Company is an option to you, you are still self-employed (your own boss) however you are seen as an owner and an employee of your own company in HMRC eyes, not self-employed.

You need to set up as a sole trader if any of the following apply:

- You earned more than £1,000 from self-employment between 6 April and 5 April
- You need to prove you're self-employed, for example to claim Tax-Free Childcare
- You want to make voluntary Class 2 National Insurance payments to help you qualify for benefits.





## HOW TO REGISTER AS SELF-EMPLOYED

As a sole trader you run your own business as an individual and you are self-employed.

You are also personally responsible for any losses your business makes but you receive 100% of all profits too.

You can call your business anything you like however there are a few rules set out by HMRC.

To set up as a sole trader, register for Self-Assessment at Gov.UK and file a tax return every year.

**Follow your  
dreams,  
Be your own boss.**

## YOUR RESPONSIBILITIES

You'll need to:

- keep records of your business's sales and expenses
- send a Self Assessment tax return every year
- pay Income Tax on your profits and Class 2 and Class 4 National Insurance



## RECORD KEEPING

You must keep records of your income and expenses to report for your self-assessment tax return.

You'll need to keep records of:

- all sales and commission payments
- all business expenses
- VAT records if you're registered for VAT
- PAYE records if you employ people
- records about your personal income

You do not need to send your records to HMRC however you will need to keep them for 5 years in case you need to prove your workings to HMRC for any reason.

HM Revenue and Customs (HMRC) may check your records to make sure you're paying the right amount of tax at any point.





If you are self-employed your business will no doubt have some sort of running costs and these can be deducted from your taxable profit provided they are an allowable expense.

These include:

- **office costs**, for example stationery, note books or diaries
- **travel costs**, for example mileage to training and events, parking, train or bus fares
- **clothing expenses**, for example branded hoodies and t-shirts
- **phone bills and internet costs**
- **meals and subsistence** whilst at all day training and events
- **financial costs**, for example insurance for events or PayPal charges
- **working from home allowance**, you can claim a set allowance for working from home to cover heat, light etc.
- **advertising or marketing**, for example website costs, social media adverts and business cards
- **training courses related to your business**, for example events and conventions

You cannot claim expenses if you use your £1,000 tax-free 'trading allowance'.

Contact your accounting professional or HMRC if you're not sure whether a business cost is an allowable expense.

## EXPENSES YOU CAN CLAIM

Including our free guide  
A-Z Business Costs Expenses for  
Sole Traders

**Work hard,  
dream big.**

## **SELF ASSESSMENT INCLUDING BUDGETING FOR TAX AND NI**

Self Assessment is a system HM Revenue and Customs (HMRC) uses to collect Income Tax.

Tax is usually deducted automatically from wages, pensions and savings.

People and businesses with other income must report it in a tax return.

If you need to send one, you fill it in after the end of the tax year (5 April) it applies to. For example, if you registered as self-employed from 5th June 2018 your tax year would end on 5th April 2019 and your period to report would be 5th June 2018 to 5th April 2019.

You can use the online service to:

- fill in and send your tax return to HM Revenue and Customs (HMRC)
- go back to a tax return you've already started
- check your details, view returns and print your tax calculation.

You'll need to register for Self-Assessment again if you've sent a tax return in the past but you did not have to send one last year.

In order to file your return online you will need to have registered for the Personal Tax Account at Gov.UK and activated the Self-Assessment section using the authorisation codes you will receive in the post upon requesting access.

You will need your personal UTR number (10 digits) sent from HMRC when you registered as self-employed.

Depending on your level of income and expenses in the reporting year you may have tax to pay upon submission of your return to HMRC.

How much tax you pay depends on the rates set by HMRC and do change each year.

For current rates please refer to HMRC. You may wish to set aside an amount each month in order to pay the tax bill at the end of the year. Your accounting professional can advise you on this depending on your level of income.

# VAT

You must register your business for VAT with HM Revenue and Customs (HMRC) if its VAT taxable turnover is more than £85,000.

When you register, you'll be sent a VAT registration certificate.

This confirms

- your VAT number
- when to submit your first VAT Return and payment
- your 'effective date of registration' - this depends on the date you went over the threshold, or is the date you asked to register if it was voluntary.

You can register voluntarily if your turnover is less than £85,000, unless everything you sell is exempt.

You'll have certain responsibilities if you register for VAT.

### Your VAT responsibilities

From your effective date of registration you must:

- charge the right amount of VAT
- pay any VAT due to HMRC
- submit VAT Returns
- keep VAT records and a VAT account

Most VAT registered businesses that earn over £85,000 must also follow the rules for 'Making Tax Digital for VAT'.



### Register for VAT

Most businesses can register online - including partnerships and a group of companies registering under one VAT number.

By doing this you'll register for VAT and create a VAT online account (sometimes known as a 'Government Gateway account').

### Using an agent

You can appoint an accounting professional to submit your VAT Returns and deal with HMRC on your behalf.



## USEFUL CONTACT NUMBERS

If you have questions on any of the above it is suggested you see advice from your accounting professional in the first instance.

Its highly likely you will get an answer to your question however should they not be able to help you for whatever reason HMRC have dedicated helplines according to your topic:

**HMRC Income Tax - 0300 200 3300**

**HMRC VAT - 0300 200 3700**

**HMRC Self Assessment - 0300 200 3310**

**HMRC NI - 0300 200 3500**

**HMRC Employers Helpline - 0300 200 3200**

**HMRC CIS - 0300 200 3210**



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