



Employment Status

TROOPS UK LIMITED

23 The Moorings, Willows Riverside Park, Windsor, Berkshire SL4 5TR

Registered Number: 4812977|VAT Number: 820294450

Artiste Employment Status:

This information should be taken as **guidelines only**, as the situation frequently changes. This is, however, the most up to date information we have available, and the majority is taken directly from what the Inland Revenue advice lines have told us. It is presented here for your convenience, to assist you in discussions with your accountant or the relevant government bodies.

Your Legal Status and Obligations as a Troops (UK) Artiste:

As a supporting artiste, you may need to consider your legal “status” in the light of your new earnings. It is the law in this country that you must declare your income to the Inland Revenue, so that you can pay the correct Income Tax and National Insurance.

The Inland Revenue have always found the Entertainment industry difficult to legislate over. This is because most people in the industry have a highly variable income, which it is difficult to tax on a PAYE basis.

Employment and Self Employment:

When you work, you are legally classified as either Employed or Self Employed. Whichever case applies, you always have to pay Tax and National Insurance.

The precise definition of the difference between these two options is complex and can be blurred. In general:

Self-Employment is when you work “under a contract for services”.

Employment is when you work under “a contract of service.”

A contract in this case could be a verbal agreement, a written document or signed time sheet.

National Insurance:

Everyone is obliged to pay National Insurance against wages they earn. It doesn't matter if you're 'Employed' or 'Self-Employed', you still pay.

When you are Employed, National Insurance is deducted from your wages (called the Employees National Insurance Contribution, or Class 1 Payments). This is worked out as a percentage of everything you earn over a threshold level, bounded by a maximum allowable payment (these figures change regularly - check your tax office for the latest figures). The company that employs you must pay a corresponding amount, worked out in a similar manner, but with no maximum.

If you are Self-Employed, you must pay a fixed amount every week or month, (called Class 2 payments) regardless of whether you have worked or not. If you anticipate that you will have low earnings for the year, or that you will pay a lot of Employed person's contributions as above, you can elect to defer payments until the end of the Tax year. Your "Class 1" payments will be considered alongside your "Class 2" payments, and a bill or refund will be sent to you.

So if you do not have deductions made from your wages, you will have to pay yourself, every week or month, the fixed amount. It is also worth bearing in mind that if you ever need to claim benefits, Class 2 contributions do not count when the Benefits Agency works out what you should get. Only Class 1 payments are considered.

Income Tax:

Income Tax is payable to the government on all wages that you earn. The only difference between Employed and Self-Employed people is when you pay.

In general, an Employer will know what his Employees annual earnings will be, so can work out how much Tax he needs to collect each month or week to ensure that by the end of the year, the Employee has paid the correct Tax. The Inland Revenue provide a "Tax Code" which will adjust this amount to take account of other issues involved - collection of tax on other earnings, or earnings from previous years. Usually, this is accomplished using a computer, as the calculation can be complex. This system is called Pay As You Earn (PAYE).

Self-Employed people, pay Income Tax too, but pay it as one lump sum at the end of the financial year. They fill in a Tax Return where they declare everything they have been paid, and what they have spent in order to do so. The difference is their earnings and the Tax owed on this is calculated and billed.

Working for Troops (UK) Limited:

When you work for Troops (UK), you are usually 'Employed' on short term, fixed duration contracts. The employer is usually the production company, but occasionally Troops (UK) may share the employment relationship to some degree - for example we may administer the payroll and National Insurance. The only time you may be 'Self-Employed' is when you work on Photographic shoots. You can always tell when this is the case as no National Insurance deductions will be made. If you find that your earnings on this basis are particularly high, you may need to register as fully Self Employed - check with the advice lines below if you are unsure.

However, because we don't operate a PAYE system, you will have to register as requiring Self-Assessment for Tax purposes. The simplest way to do this is to phone the Self-Assessment Order line (08459 000 404) at the end of the Tax year (4th April) and request an Income Tax return form. It is not a prerequisite to be Self Employed to fill in a Tax return, but if you run in to problems, the various advice lines below should afford some assistance.

You may, of course, be Self Employed and running your own business anyway. In this case, just enter the details of your earnings as background artiste as a separate employment. We cannot waive National Insurance deductions for Self Employed people, as you are considered Employed when you work on a film set, exactly as if you had any other part time job. You can though offset any payments you make through your background artiste work against the weekly payments you make as a Self Employed Person.

VAT Registered Individuals:

If you are VAT registered you will have to charge VAT on all of your services, and this may include your work as a background artiste. You can also claim back the VAT on Commission charge deducted from your earnings.

Troops (UK) do not currently manage the VAT accounting for their clients, and you must submit your own VAT invoices to production directly. Please check with the AD on the day of the shoot for the address to send your VAT invoice to.

Useful Numbers:

Entertainment Industry Helpline
0191 490 3662

National Insurance Enquiry Line
08459 154 655

Inland Revenue Enquiry Line
08459 000 444

VAT Advice Line
08450 109 000

Self-Assessment Order line
08459 000 404
