

PROCEDURAL NOTE

Engaging consultants / self-employed individuals

In order to meet the requirements of employment law and tax law and to safeguard the University's position as an employer, the University expects most individuals working for the University to be employed on a contract of employment. (Please note this does not apply to limited companies or partnerships.)

In accordance with the [University Financial Regulations](#) **individuals should not be engaged to carry out part-time teaching and teaching related activities on a self-employed basis.**

There are circumstances where it may be necessary to engage the services of self-employed individuals as consultants to provide specialised knowledge / advice for research projects / other activities. However, engaging self-employed individual consultants poses certain risks in terms of employment and UK tax law. **Our primary risk is incorrectly treating individuals who provide a service as self-employed contractors, when in fact they should be treated as employees.**

Before engaging the services of such individuals, the **Faculty / Directorate must** complete the [HMRC Employment Status Indicator questionnaire](#).

This will determine the individual's employment status, i.e. employed or self-employed. You should print a copy of the completed questionnaire and it should be signed by the responsible officer of the engaging Faculty / Directorate.

Where an individual is doing a similar job to other (employed) members of staff and / or is paid a fixed hourly or daily rate for services, it is likely we should not be treating them as self-employed.

If the individual is assessed as "employed", he / she will be paid through the payroll. For information about which type of one-off payment or which contract should be used, please consult the HR web pages.

If the individual is assessed as "self-employed", a consultancy contract should be drawn up, signed by the individual and on behalf of the University and a copy of the contract and the results of the HMRC ESI questionnaire appended to the purchase order.

See below extract from Financial Regulations:

8.6 Part-time teaching and visiting lecturers

8.6.1 It is the University's policy that the engagement of human resource to carry out part-time teaching and teaching related activities shall be on a Schedule E basis only (ref. Executive Committee – minute 06/75 of 15 May 07 meeting). This means that personnel engaged for these activities will be paid through the University's payroll. This policy is consistent with HMRC advice on this matter.

8.6.2 All part-time teaching/visiting lectureship services provided to the University shall be treated as employments (Schedule E) and paid through the payroll with an appropriate deduction for PAYE and national insurance. This position is consistent with:-

(a) HMRC's ruling on PTT/VL appointments;

(b) Executive Committee's decision (minute 06/75 of 15 May 2007).

Finance Directorate

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