

# Self-employed benefit claims



# 6

Number 6 in a series of  
benefit information leaflets.

# Self-employed benefit claims

**If you are self-employed and wish to claim Housing Benefit and Council Tax Benefit, we need to decide whether you are eligible for benefit. We do this by looking at your total net weekly income from your self-employed earnings and any other income or capital you may have.**

*This leaflet is part of a series (illustrated opposite) produced by a group of local authorities to help make Housing Benefit and Council Tax Benefit easier to understand.*

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## **How is self-employed income assessed?**

First we have to work out the net profit from your total income.

### ***The net profit is calculated as follows:***

Gross income less any allowable business expenses = pre-tax profit.

From this figure we deduct the amount you would expect to pay in tax and national insurance, and half of any pension contributions. This gives us a net profit figure. This may not be the same as the Inland Revenue figure.

## **What are allowable business expenses?**

These are expenses that we consider reasonable and are incurred wholly for running the business.

### ***Examples of allowable expenses include:***

- rent and water rates on business premises;
- gas, electricity and other fuel costs on business premises;
- telephone charges;
- advertising;
- postage and stationery;
- legal and accountancy fees;
- buying stock and supplies;
- business-only motor expenses.

Expenses such as these will be deducted from the gross income figures.

### ***There are certain expenses that the Inland Revenue allow but we cannot, such as:***

- depreciation;
- capital expenditure;
- business entertainment.

## ***Couples who are business partners***

We follow the same guidelines if the business partners are a couple. This ensures that we calculate the deductions for tax and national insurance correctly.

## ***If I am trading as a child-minder, am I treated the same?***

No. When calculating the net profit for self-employed child minders we do not deduct business expenses. We arrive at the net profit by deducting tax, national insurance contributions and any pension contributions from one third of the gross income.

## ***What information will I have to provide?***

- A certified set of current accounts;
- If these are not available, a completed self-employed income form that we can provide.

If you have only just started your business, you will need to estimate at least three months' income and expenditure figures.

If we use an estimated figure to assess your claim, we will write to you after three months for actual income and expenditure figures.

## Other formats

This leaflet is also available in large print, Braille, on audio cassette and in other languages. Please contact us if you need this leaflet in one of these formats.

*This leaflet gives basic advice and is a general guide. If you have a question that is not answered in this leaflet, or if you want more advice, please contact us.*

*Participating authorities: Broxbourne, Dacorum, Hertsmeire, Ipswich, Lincoln City, North Herts, St Albans, Stevenage, Three Rivers and Welwyn Hatfield.*



## Where to get help and advice

### **To get more information you can visit us at:**

Three Rivers District Council  
Three Rivers House  
Northway, Rickmansworth  
Herts WD3 1RL

*Offices are open:* Mon to Thu 8.30am – 5.30pm  
Fri 8.30am – 5pm

*Telephone:* 01923 773138 (*benefits section*)

*Email:* [benefits@threerivers.gov.uk](mailto:benefits@threerivers.gov.uk)

*Fax:* 01923 727181

*Website:* [www.threerivers.gov.uk](http://www.threerivers.gov.uk)

South Oxhey Area Office  
37 Oxhey Drive  
South Oxhey  
Herts WD19 7SD

### *Benefits officer*

*available:* Mon and Thu 9am – 4.30pm  
Fri 9am – 4pm

### **Other organisations that provide help and advice**

#### *Citizens Advice Bureaux*

Watford 01923 234949

Rickmansworth 01923 720424

Abbots Langley 01923 267949

Oxhey & District 020 8421 0911