



Cyngor **Abertawe**
Swansea Council

COMPANY DIRECTOR/OWNER AND SELF EMPLOYED EARNINGS INFORMATION FORM HOUSING BENEFIT & COUNCIL TAX REDUCTION SCHEME

Mae'r ffurflen hon ar gael yn Gymraeg o'r Ganolfan Ddinesig
This form is also available in large print from the Civic Centre

Ben Smith
Head of Financial Services
and The Service Centre
The Guildhall
Swansea SA1 4NR
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You have said on your Benefit/Reduction application that you are self-employed, or an Owner/Director of a limited company. I need details of your self-employed/company income to be able to calculate any entitlement to Benefit/Reduction.

1. Your Full Name and Address	<u>FOR OFFICE USE ONLY</u>
Name:	Date we received this form (stamp)
Address:	
Postcode:	
We may need to contact you, it will help us to process your claim quicker if you give your daytime/mobile phone number here.	
Daytime Number <input style="width: 150px;" type="text"/>	Mobile Number <input style="width: 150px;" type="text"/>
Claim Number:	

2. Your Business	
A separate form must be filled in for each self-employed business you run or limited company you own or that you are a director of.	
Name of business:	<input style="width: 90%;" type="text"/>
Address of business:	<input style="width: 90%;" type="text"/>
	<input style="width: 90%;" type="text"/>
	<input style="width: 90%;" type="text"/>
Business Tel No.	<input style="width: 90%;" type="text"/>
Type of business:	<input style="width: 90%;" type="text"/>
	<input style="width: 90%;" type="text"/>
Date business commenced:	<input style="width: 90%;" type="text"/>
Start Date of your current financial/accounting year:	<input style="width: 90%;" type="text"/>
Average number of hours worked per week:	<input style="width: 90%;" type="text"/> hours per week
Is your business a Limited Company?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If "Yes" go to section 4: Company owners/directors	

3. Self Employed - About your Business	
a) Is your business a partnership? (Please provide partnership agreement)	Yes <input type="checkbox"/> No <input type="checkbox"/>
If "Yes" what percentage of the total profit/loss is yours?	<input style="width: 80px;" type="text"/> %
b) Is your husband/wife/partner your business partner?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If "Yes" what percentage of the profit/loss is theirs?	<input style="width: 80px;" type="text"/> %
c) Are there any other people on the payroll of the business?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If "Yes" how many people are on the payroll?	<input style="width: 80px;" type="text"/>
If any of these people are members of your household please give details:	
<input style="width: 98%; height: 30px;" type="text"/>	

3. About your Business (continued)

d) Have you registered your business with HM Revenue & Customs (HMRC) for Income Tax and National Insurance purposes? Yes No

Please provide proof, this will be your Unique Taxpayer Reference.

If you have not registered you should inform HMRC that you have started working for yourself. When you have registered please provide proof of your registration.

e) Do you have your latest Self-Assessment Tax Return form for the last financial year? Yes No

If **"Yes"** return a copy with this form. If **"No"** give the reason why and date you expect to receive it:

3a. About your Business Income

Do you have any prepared accounts (audited or otherwise) for the last financial/accounting year? Yes No

If **"Yes"** return a copy of your accounts with this form and go straight to Section 3c
We will write to you if we need any clarification

If **"No"** give the reason why and date you expect to receive them:

If you do not have any prepared accounts, or if you have not been trading for a full year, please complete the rest of this section. The details you give must be for your last financial/accounting year. If you have been trading for less than a year, please give details for the period have been trading. You may be asked to provide evidence of how you arrived at the figures you declare. If you have been self employed for less than SIX weeks, please provide an **estimate** of your likely income and expenses for your first three months of trading.

Period of income and expenses: from / / to / /

Are the income & expenses: actual or estimated please tick)

Income - this must cover the whole period you have declared above, not weekly amounts.

Income/Sales

Plus Start up Allowances / Job grant or similar Name of grant

Plus closing stock if you have been trading for more than 1 year

Sub-total

Less purchases of goods/stock for resale

Less Opening stock if you have been trading for more than 1 year

Gross Profit

Vat paid out*

Vat refunded*

Vat registration No

*** This only applies to you if you are VAT registered.**
The difference between the VAT you receive on goods sold less VAT paid on goods purchased will be taken into account as income.

If you are self employed you need to keep daily records of work you have done and receipts for expenses you have incurred. You will need this information to complete your accounts at the end of the financial year. Once you have been trading for more than one year you will be expected to provide prepared accounts for any future review of your Benefit/Reduction. If you have only just started self-employment and you are providing estimated accounts on this form, we will write to you in approximately 3 months time to have your actual figures for the period you have been trading.

3b. Expenses

Only expenses that are wholly and exclusively used for the business are allowable for Benefit/Reduction purposes. Please ensure that the figures given cover the SAME period you have declared in 3a. Be careful if you pay expenses annually or monthly but have given income details for a different period. If in doubt make sure you tell us the exact period covered by an expense.

	Full Cost	Amount for Business use	% for Business use	Period covered if different to 3a
Rent/Mortgage on business premises	£	£	%	
Address rent is paid for				
Business rates (not Council Tax)	£	£	%	
Business heating and lighting	£	£	%	
Business water rates	£	£	%	
Maintenance of business premises	£	£	%	
Business Insurance	£	£	%	
What is covered by this Insurance				
Telephone/broadband	£	£	%	
Mobile Telephone	£	£	%	
Cleaning	£	£	%	
Bank charges on business account	£	£	%	
Advertising	£			
Printing & Stationery	£			
Special clothing	£			
Repair of business assets	£			
Business subscriptions	£			
Postage	£			
Accountancy charges	£			
Capital payment on business loan	£			
Interest payment on business loan	£			
Reason for loan				

Are the repairs covered by insurance Yes No

Other Expenses (please specify)	Full Cost	Amount for Business use	% for Business use	Period covered if different to overleaf
	£	£	%	
	£	£	%	
	£	£	%	

Staff Costs

Wages should include employers contributions to pension schemes and national insurance.

Drawings/Wages to self	£	Wages paid to business partner	£
Wages paid to partner	£	Wages paid to other employees	£

3c. Motor Expenses - business and personal

Only motoring costs incurred to carry out your business are allowable for Benefit/Reduction purposes. If you use your vehicle to go to and from your normal place of work, these expenses are not allowable. If however, you use your car to carry out your business activity, e.g. you are a gardener and you go to different places to carry out your business, these expenses are allowable. Please complete this question using this information to give a reasonable estimate of the percentage used for business activities.

	Amount	Period this covers		Amount	Period this covers
Fuel	£		Road Tax	£	
MOT	£		Car lease	£	
Motor repairs	£		Motor insurance	£	

Who owns the vehicle/s?

Is the vehicle used for personal use as well as business use? Yes No

Please state what percentage is business use %

Do you use any other car for personal use? Yes No

If Yes please give reasons for using your business vehicle for personal use

3d. Next year's income

Normally, when your application is based on your most recent annual accounts, you will only be asked to provide your accounts when your next accounts are being prepared. This means that your income from self employment will be re-assessed annually, based on the latest information available. If your work is of a seasonal nature, or you have breaks in your work due to holidays, this will be reflected in the annual income of your business and your claim will not be re-assessed during the year for periods of low or high income.

Is it reasonable to assume that the figures you have provided will be similar for the next year? Yes No

If "no" please explain any likely difference

Now go to section 5

4. Company owners/directors

If you own, or are a director of a limited company you must provide us with information about the financial position of the company and information about any money, wages, salary, drawings etc that the company pays to you. If the company has been incorporated and trading for over a year, you should be able to provide us with the full accounts for the most recent year, including the trading, profit and loss accounts. If the company has been trading for less than one year, (or if you have started your second year but the first set of prepared accounts are not yet available), you will need to provide us with other information in order to progress your Benefit/Reduction application. If you have an interest in more than one company, please complete a separate form for each company. If both you and your partner (by partner we mean someone you live with as husband and wife, or civil partner) have an interest in the company you should give the details for each of you in the space provided.

4a. About the company

What is the name of the company?

What is the registration number of the company?

When was the company incorporated? / /

When did the company start trading? / /

What are the names of the company directors?

What is the name of the company secretary?

How many shares have been issued?

Please give the names and number of shares held by each owner?

Please provide a copy of your company registration document.

If the company is not currently trading:

When was the last date it traded? / /

When do you intend dissolving it? / /

4b. About your/your partner's interest in the company

Shareholders

Are you or your partner a shareholder in the company?

You

Yes No

Your Partner

Yes No

If yes, how many shares do you or your partner hold?

Have you or your partner received any dividends?

Yes No

Yes No

If yes, how much did you or your partner receive?

£

£

Date you or your partner received last payment

/ /

/ /

Directors

Are you or your partner a director of the company?

You

Yes No

Your Partner

Yes No

Please state how much remuneration, salary or any other payments you or your partner receive from the company.

£

£

How often is this paid?

If you do not receive any remuneration or to take any money from the business please use the space below to explain when you were last paid, why you do not currently get paid and when you might expect to be paid.

4c. About the value of the company

In addition to considering how much you may receive as a shareholder and/or company director, we also need to consider how much the company may be worth. This is because as the owner or part owner of the company, you also have an asset which has to be valued for benefit/reduction purposes. All companies must have accounts, unless the company is new and the first set has not been prepared.

All companies

If known please state how much you consider your company to be worth as at today's date.

£ Please note the Benefit Section may assess a different value using the information you provide. You will be informed of how the value is assessed.

Have you had your company valued? If so please confirm the value £ Date of valuation / /

Please state how much capital / assets you invested into the company in order to set it up and on what date this money was invested. If you did not invest any money or assets you must state this in the space provided.

If you have invested any further funds into the company, or had any sums repaid to you since the business began, please give details below.

If your company is making a loss please explain how this loss is funded?

Companies who have accounts

You must provide the most recent full set of accounts that the company has with this form (Abbreviated accounts are not acceptable).

Please confirm when you expect your next set of accounts to be prepared / /

Companies who do not have their first set of accounts

Please state when you expect the accounts to be ready / /

If you have been trading for less than 3 months, please provide an estimate of likely income and expenditure for your company, or

If you have been trading for more than 3 months, please provide your actual income and expenditure from the start of trading to date.

Please provide the company bank accounts for the last financial year or from the date you started trading to date (if less than a year ago)

Note: In some circumstances, the Benefit Section may be able to treat you as similar to a self-employed sole trader and ignore the capital value of your company. However, your profit and loss account may then be used to assess notional income if applicable.

5. Personal Pension Contributions

Do you contribute to a personal pension scheme?

Yes No

If “yes”:

How much do you pay?

£

Frequency of payments i.e. Weekly/Monthly etc.

You must enclose proof of the pension payments you make

6. Your Privacy

Swansea Council is the data controller for the personal information you provide on this form. Your information will be used in the exercise of our official authority and will not be used for any other purpose. We will not share your data with third parties unless we are required or permitted to do so by law.

Data protection law describes the legal basis for our processing your data as necessary for the performance of a public task. For further information about how Swansea Council uses your personal data, including your rights as a data subject, please see our corporate privacy notice on our website.

7. Declaration

Please read this declaration carefully before you sign and date it

I declare:

- That the information I have given on this form is correct and complete to the best of my knowledge.
- If I have been unable to answer a question because I am waiting for information, I have noted this on the form and will send the details to you when I receive them.
- I understand the Council will make any necessary enquiries to verify the information on this form.
- I authorise the Council to cross check the information I have given with other sections within the Council, Rent Officer Service, other Councils and Benefit Authorities.
- I understand that I may be required to submit further personal information in support of my claim, this information will be subject to the same rules of privacy contained in “Your Privacy”.
- I understand that if I give information that is incorrect or incomplete or fail to report, promptly or otherwise, any changes which might affect my Housing Benefit / Council Tax Reduction I may be prosecuted.
- I understand that if the details given on this form change and too much Housing Benefit / Council Tax Reduction is paid or awarded these will have to be repaid or recovered.
- I understand that the Council will use the information and evidence I have provided to assess my Housing Benefit and/or Council Tax Reduction, these details can also be used for any local reduction, service or benefit that the Council administers. The Council may give information to other government organisations or external bodies, if the law allows this.
- I have read and understood “Your Privacy”
- I have read and understood this declaration.

Your signature:

Date:

Notes for Self-Employed Customers

If you are self-employed and wish to claim help with your rent and/or council tax, you need to provide sufficient information about your self-employed activities to allow your income from the self-employment to be assessed.

Normally, you will have to provide your latest set of accounts – these should clearly show the income, expenses, gross and net profit of the business for the last trading year. Some people pay an accountant to prepare their accounts but this is not essential for Benefit/Reduction purposes and trading, profit and loss accounts prepared by the self-employed person themselves are acceptable.

Notes for Self-Employed Customers Continued

An example of a trading profit and loss account suitable for Benefit/Reduction purposes is given below. If your business has been trading for at least six weeks but less than one year you will not have proper accounts yet. However, in order to complete your tax return you must be keeping accurate business records on a regular basis. Therefore, you should provide your income and expenses for the period from the start of your business to date.

If you have been trading for less than six weeks you will have to give us an estimate of what you expect your income and expenditure to be. For example, if you intend giving private music lessons by driving to the homes of your pupils, you will know how much you are going to charge per hour for your services, how many pupils you are likely to get and your costs may be advertising and petrol. By giving us this information your Benefit/Reduction can be assessed and will then be reviewed periodically throughout the first year until you are able to provide accounts for the first year. After this your claim will be reviewed annually at around the time when you are likely to have the next set of accounts available.

At any time, if there is a significant change in your business activity, (for example you start to employ someone because your business is expanding rapidly, or you have to reduce your activity due to recession) you must let us know as we may need to re-assess your entitlement.

Otherwise, because the income of a self-employed person always fluctuates, your self-employed income will be re-assessed once each year. The latest accounts will be used as an estimate for the coming year. By using an annual income any seasonal fluctuations are accounted for and you will not be entitled to additional benefit in the weeks when your income is reduced.

Although there are many similarities between the information needed to assess income tax of a self-employed person and the information to assess Benefit/Reduction, there are some important differences. For this reason we **cannot** accept the Self-Assessment Tax return form as sufficient proof of income for Benefit/Reduction purposes on its own.

Example of trading profit and loss account

Mr Blogg started trading on 1.5.11 as a music teacher giving private lessons to pupils by driving to their homes. He currently has 6 pupils per week and teaches them in term time only (ie about 40 weeks per year). He charges £20 per hour.

He has submitted the following information with his benefit claim:

Accounts for the period ending 30.4.12

Income (6 pupils x £20 per hour x 40 weeks)	£4,800
Gross Profit		£4,800
Expenses	
Drawings	£2,600	
Petrol	£800	
Adverts	£100	
Music	£250	
Clothing	£50	
Use of home as office	£520	
Mobile phone (excluding personal use)	£60	
Home phone (excluding personal use)	£120	
		£4,500
	
Net Profit		£300
	

Mr Blogg submits this information to the Benefit Office. In accordance with benefit regulations, the drawings are not an allowable expense and the use of home as an office is not an expense wholly and exclusively used for his business and is therefore also not allowable. However, his petrol is allowable as he is driving to different places to carry out his teaching, and the other expenses are all considered reasonable.

This means that the Benefit Section assess his annual income as £3,420.

Dividing this by 52 weeks gives him a weekly income of £65.77. This is used to assess his benefit for the next year. Although he does not teach in the school holidays this has been allowed for in the assessment and his Benefit/Reduction does not need to be re-assessed depending on whether it is term time or not.