Defining employment status – guidelines

Employment status is determined by the characteristics of the working relationship and not simply by what a contract specifies, or what the employer tells their staff.

Employees tend to be people who do **regular, standard work**. They do not have to be full-time and could be on a fixed-term contract. Employees are entitled to all statutory rights including those that require a period of qualifying service. A person is likely an employee if they have to tell you when they are not going to be at work, for example if they are going on holiday or are off sick. Employees must be paid by PAYE.

Workers tend to be people **working in a more casual way, and on a job-by-job basis.** Workers are entitled to day one rights which include National Minimum Wage, holiday pay and rest breaks. Workers do not have to accept work or provide explanation if they decline work offered. Workers must be paid by PAYE.

A **self-employed** individual **runs and manages their own business** and usually has control over how, when and who carries out the work and negotiates the price of the work to be undertaken. An individual who is self-employed does not require legal protection to treat themselves fairly. However, they must comply with employment law if they use staff to carry out work. Self employed people will provide an invoice for the work completed.

Office Holders are either members of clergy or individuals who hold an appointment the need for which is detailed in a document such as a trust deed or charity constitution. There will not usually be a contract or service agreement with them. They will not usually receive payment but if they do it must be voluntary on the side of the appointing body and not be dependant on the work they do, for example it cannot be an hourly rate. They are effectively an **independent body**. If they are paid it must be done through PAYE.