

# BECOMING A SELF-EMPLOYED SOLE TRADER

## working with people with disabilities

### You may be supporting a diverse range of people including people with:

- Physical Disabilities
- Intellectual Disabilities
- Sensory & Neurological Disabilities
- Acquired Disabilities
- Temporary Disabilities
- Psychiatric Disabilities

### Why do this type of work?

People work in many different ways to use the skills they have developed. The work can be diverse, and at times challenging, but it is very rewarding. In this role you have the opportunity to assist people with disabilities to vastly improve their lives.

### Requirements for this role:

Some essential requirements that will help in your business as a sole trader working with people with disabilities are:

- a caring nature and a strong belief that people with disabilities should be supported well to live the life they choose for themselves
- a high degree of honesty and integrity
- an inherent belief in human rights and social justice
- a willingness to collaborate and consult with others and engage in continual learning and development
- the ability to think creatively and show initiative
- holding a current offender history check (Blue Card; Yellow Positive Notice Card or a police check)
- a mobile phone or home phone with a message service
- holding a driver's licence and having your own vehicle (this can be an advantage for linking people into their communities)
- a current manual handling certificate, a current senior first aid certificate – these certificates may not be necessary, but may be a benefit to secure a contract

### As a self-employed worker you get to:

- Set your own work boundaries and parameters
- Have a regular mixture of work that suits your needs
- Terminate an agreement if it is not working out for you
- Access the tax benefits available to small business owners (see your Tax Agent)

### Running your own business

- It is strongly recommended that you obtain an ABN (see below)
- Arrange your own business insurance (see below)
- Advise individuals/families of your availability for work and the rate you charge
- Keep your skills and qualifications up to date (e.g. first aid, manual handling certificate, if required)
- Have a written agreement with the person/family you are working with
- Undertake the work you commit to and report as required
- Submit invoices to claim payments
- Follow up on unpaid invoices and customer payments
- Ensure the work you are taking on is suitable for you
- Keep clear records for your accountability to the taxation office

## Obtaining a criminal history check

Bespoke Lifestyles requires that its participants ensure that all their workers hold current and valid criminal history screening documentation.

- If you are working with adults, you can organise a national police check
- If you also work for a service, you may already have a Blue card or Yellow Positive Notice Card; It will suffice to give the family/person you work with a copy of this card. (These cards remain valid for 2 years.)
- If you are working with children under the age of 18 years you must have a current Blue Card

N.B. If you also work for a service, you may already have a current Blue Card which would have been signed by the service via a Y Form. (This form cannot be used by individuals or families for their workers as they are not a registered service.) Bespoke Lifestyles cannot sign these forms either as they do not employ you.

Self-employed sole traders may apply for a Blue Card via a *Person carrying on a business blue card application form*. (BCB Form) There is no requirement on the form to quote an ABN.

## Do you need an Australian Business Number? (ABN)

An ABN is a single identifier that is used to register for various taxes and concessions.

If you are planning to operate a business, it is strongly recommended that that you obtain an ABN – a free and painless task. It would be essential to have an ABN if you are also contracted to do work for a service provider.

***If you choose to apply for an ABN, visit the Australian Taxation Office website:***

- <http://www.ato.gov.au/>
- Go to the 'Business' tab
- On the left hand side choose 'Apply for an ABN'
- Apply as a Sole Trader rather than as a Contractor

**If you decide not to obtain an ABN** you will still be liable for tax as an individual, which means you will be required to declare income from your business in your personal tax return.

You will need to sign a “**Statement by Supplier**” declaration.

**If you do not have an ABN** and you work as a self-employed sole trader for an organisation or company which is classed as an 'Enterprise', the organisation or company is obligated by law to withhold 46.5% of your total invoice and forward this amount to the Tax Office.

**Please note: You may not be able to claim certain tax concessions against your business if you do not have an ABN.**

(We recommend that you talk about this to your accountant.)

## Income Tax Obligations

As a sole trader you will be responsible for paying your own tax to the ATO. The tax that you owe can be paid monthly or quarterly or annually (depending on your income), by completing the ATO Business Activity Statement.

Businesses use an activity statement to report and pay a number of tax obligations, PAYG, GST and FBT.

Activity statements are also used by individuals who are required to pay quarterly Pay As You Go (PAYG) instalments. Your activity statement is personalised to your situation and any options you've previously chosen when applying for your ABN.

You will need to be aware of how much tax you will owe on the income you earn. You can use ATO tax tables or an online Tax Calculator to give you an estimate of your PAYG obligations.

- Tax tables** can be obtained from <https://www.ato.gov.au/Rates/Tax-tables/>
- A **Tax Withheld Calculator** can be found online at the ATO website <http://www.ato.gov.au/Calculators-and-tools/Tax-withheld-calculator/Individual-Non-business-Calculator.aspx>

This is an easy tool for calculating how much tax should be put aside for taxation obligations.

- Search for 'Online Tax Calculator'
  - Save to your favourites in internet explorer for easy access
  - Complete the questions (as you would complete a tax declaration)
  - Enter the amount for the fortnight or month and calculate
- It would be advisable to put aside this tax owed amount in a separate bank account to ensure that you will have the money available to fulfil your tax obligations at the end of the financial year.

## Insurance

### WorkCover Household Insurance

All individuals or families on their behalf, who receive funding from Disability Services through Bespoke Lifestyles are required by Bespoke Lifestyles to take out **Household Worker Insurance** through **WorkCover Queensland** for any property where paid support is being used.

This insurance will cover an employee or self-employed sole trader for injuries while working in a private dwelling (including a holiday home) and also whilst they are with the person on excursions within the community. If an injury occurs, you are advised to fill out an incident report which details what occurred and the injury sustained.

### Income Protection Insurance

Income Protection insurance in Australia guards your ability to earn an income in the event that you suffer a sickness or accident.

Having an Income Protection policy means that should you injure yourself or if illness strikes, you can continue to pay your mortgage or rent and help cover your day-to-day living expenses.

### Professional Indemnity Insurance

Professional Indemnity insurance provides essential financial protection for professionals for claims made against them carrying out their service.

### Public Liability Insurance

Public Liability insurance covers potential liabilities for third parties for personal injury or property damage if your business is found to be negligent. Some laws impose a 'duty of care' upon certain people, including employers, owners of property and suppliers of goods. If you have breached your duty of care, you may be liable for damages.

**Bizcover Insurance** is an online Business Insurance Agency that works of behalf of insurers. Bizcover has managed to secure reasonably priced Professional Indemnity and Public Liability insurance cover for 'Disability Support Workers' workers through the DUAL Australia.

### DUAL Professional Combined **Liability Package**

COVER	LIMIT OF INDEMNITY	EXCESS	ANNUAL PREMIUM
Professional Indemnity	\$1 Million	\$1,000	From \$235.53* Or \$19.43 p/m
Public Liability	\$10 Million	\$500	

\*Based on annual turnover of \$50,000

1. Visit the following link <https://www.bizcover.com.au/bespokelifestyles/>
2. Obtain a quote selecting 'Disability Support Worker or Aged Care Services' from the drop down box
3. Enter Partner Code: **BSPOKE**
4. Select the DUAL Australia policy

You need to be aware that if for any reason, you give cause to make you liable during the course of your work, you will have no protection without this insurance.

If you have applied for this type of liability insurance in the past but been rejected, you may wish to try again with Bizcover.

### **Motor Vehicle Insurance**

If you use your vehicle to transport the person you are supporting, you should advise your insurer so that they are aware that you are using your vehicle for this purpose. Normally insurers would not require the vehicle to be insured for commercial use, but it is best to check as insurance policies do differ.

Your vehicle should be roadworthy, registered and in good working order and if you are using your vehicle to enable you to perform your work we would recommend that your vehicle be covered with 'Comprehensive' insurance.

## Superannuation

Superannuation Guarantee is payable to workers who meet the definition of an employee under the Superannuation Guarantee (Administration) Act 1992 (SGAA). However, when people are paid to do work of a domestic or private nature for no more than 30 hours per week, they are not eligible employees.

As a sole trader you are responsible for your own superannuation arrangements and may be able to claim a tax deduction for personal superannuation contributions. However, you would be eligible to be paid under the superannuation guarantee legislation (SGL) if you work for more than 30 hours in any week for the one individual/family.

## Tax Invoices

As a sole trader you will need to issue tax invoices for the work you carry out:

Tax invoices should include:

1. ABN details if applicable
2. Date of invoice
3. Invoice number (for record-keeping purposes)
4. Name and address that the ABN or sole trader is registered under
5. Description and dates of work and rates
6. Any added allowances or reimbursements as agreed with family/individual
7. The amount of GST (if any) payable for total invoice
8. Total cost of invoice
9. Your bank details for payment (i.e. BSB and Account number, Account Name)
10. Email address

Individuals/families may give you an invoice template you may wish to use to assist with this.

## Keep good records

**Some suggestions:**

- Open a dedicated bank account so that your earnings from your business can be deposited directly to that account. This will separate your business income from other income.
- Set up a simple spreadsheet or accounts book to keep track of:
  - Invoices issued - when and to whom
  - How much has been invoiced
  - Tax owed on each invoice
  - Payments outstanding and date payments received

## Resources

**Australian Government Business**

Link for Independent Contractors: [www.Business.gov.au/contractors](http://www.Business.gov.au/contractors)

## Who else can help you?

For more personalised guidance about the best structure for your business, it is recommended that you consult your legal and tax advisers.

You can also contact the Business Hotline on 1300 363 711.

**Please sign below and return this page to the individual/ individual's representative you have contracted to:**

Individual/Family Name: \_\_\_\_\_

Name of Sole Trader: \_\_\_\_\_

I have read the information sheet on "Becoming a Self-employed Sole Trader" and understand my legal and taxation obligations.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

Witnessed by: \_\_\_\_\_

Signed by Witness: \_\_\_\_\_

Dated: \_\_\_\_\_