



City of  
Portsmouth  
College

**Entering employment**

# WORKBOOK

A guide to the different types of employment.

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# Introduction

**Entering Employment and Self Employment can be overwhelming, we have created this leaflet to help you navigate which options are best for you and what you need to know about each option.**

The Careers team at COPC have a wealth of experience, contacts and resources to enable you to enter employment/ self employment with confidence and support every step of the way.

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# Additional Support

If you're 16-18 we encourage you to sign up to our E6 Enrichment Programme. Please contact:

✉ **[enrichment@copc.ac.uk](mailto:enrichment@copc.ac.uk)**

✉ **[careers@copc.ac.uk](mailto:careers@copc.ac.uk)**

For adult learners aged 19+ the National Careers Service offers lots of helpful information. They are available from 8am-8pm Mon-Fri and 10am-5pm Sat.

Call 0800 100 900 (free from landlines and most mobiles)

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# 1. Becoming employed

**You may choose to work for someone else and become employed. This means that you work for a company or organisation.**

You will be paid a set salary, usually monthly, in exchange for your services and can be paid when sick and on holiday. From that salary, tax, National Insurance and your pension will be deducted. This means you will have regular work and payments if you work in accordance with the job description and policies and procedures of the organisation.



# Becoming employed

Your employer is responsible for ensuring you are trained to complete your job role. Your employer can support you to progress in your role by providing training and support so that you constantly build on your existing skills and knowledge.

You will be paid using P.A.Y.E (Pay As You Earn.)

## Pros

- **Guaranteed income each month**
- **Paid holiday and sick pay**
- **Continued professional development**
- **Progression routes**
- **Pension plans, with employer contributions.**

## Cons

- **Set working hours and location**
- **Working for someone else**
- **Not as flexible**
- **May need to commute**
- **May need to work with others.**

# The different types of employment

There are different types of employment that you may be interested in.

## Full time

Normally 37.5-40 hours per week.

## Part time

Less than the above.

## Job share

Where a full-time role is split between two people.

## Permanent

You are employed and there is no end date.

## Fixed term contract

You are employed for a fixed period such as one year.

## Consultant or contractor

You come and do a part of work or advise on a part of work and are paid just for that.

## Casual contracts

These are zero-hours contracts where you are on call and not obliged to have any work at all, but when needed you will be asked to work and be paid an hourly rate.

## Pro-rotta contracts

This means that you work and are paid for a portion of a full-time contract, for example term time only. Your wages are then divided between the two and paid monthly.

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## 2. Becoming self-employed

**Being self-employed means that you work for yourself, source your own work, pay yourself a wage and pay your own tax, national insurance and pension if required.**

You also must source and finance your own professional development, and you will not be paid if you are sick or on holiday. Many self-employed people will ensure a percentage of their earnings are set aside for times when they cannot, or don't want to, work and for tax and National Insurance.



# Self-employment

The tax year is made up of 12 months — but it doesn't run from January until December. Instead, the tax year begins and ends each April, and self-employed people will submit their self-assessments at the end of the tax year. There is plenty of support and resources available.

Self-Employment means that you can charge and pay yourself a higher amount, work the hours of your choice and select the jobs you will want to undertake. Many self-employed people are skilled tradesmen and work within a certain area often known as their niche. This allows you to socialise and work in an area that you particularly enjoy.

## Pros

- **more freedom and flexibility**
- **potential to earn more than a salary and can set your own rates**
- **you can specialise in your preferred area of work**
- **you can work remotely**
- **expenses as a self-employed person means you can put things you use for work as a business expense**
- **you're doing something you love.**

## Cons

- **less job security**
- **income and work can be inconsistent**
- **no employee benefits e.g. pensions, holiday pay, sick pay**
- **you need to work all roles within the business until you can afford to outsource**
- **it can be stressful and time consuming starting a business**
- **it can be difficult to have a good work/life balance.**

## The different types of self-employment

- **Sole trader** – Sole traders are the sole owners of a business. This means that there is no legal distinction between the business owner and the business itself. This means that owners can keep any profits after tax and are personally responsible for any losses that the business makes.
- **Limited company** – A limited company has its own separate legal identity from the business owner. The individual who forms the limited company will serve as its director and is responsible for the business's legal and financial decisions. However, the business's assets and liabilities remain separate from the business owner's finances.
- **Partnership** – This structure tends to be favoured by professional services businesses like accountancy or legal firms. The partnership is owned by partners who fund the business together. Each partner works as a self-employed worker, but all are responsible for the business's profits and success. Under this structure each partner will pay tax and National Insurance by submitting a self-assessment tax return.
- **Limited liability partnership** – This follows the same founding principles as the limited company partnership. However, the main difference with this business structure is that partners aren't responsible for the debts that the partnership incurs.

# 3. Frequently asked questions

## **“I want to work for myself, but what do I do if I don’t understand all the tax and stuff?”**

It can feel overwhelming, but there is so much support out there - see the further support section below. Briefly, though...

If you are employed, then you will pay tax every time you get paid.

How is PAYE worked out? If you earn over the personal allowance pay cap, you’ll be charged 20%, 40% or 45% of your earnings, depending on whether you fall under a basic rate, higher rate, or additional rate tax band. This is determined based on your annual income.

If you are self-employed then you need to keep records and each year submit a SELF-ASSESSMENT which details how much you made in your business and also all the charges you made. This is called your NET profit, which is the total income before any deductions.

Then you will be asked to log all the money that you have spent on the business, these are your EXPENSES, meaning all the money you spent on buying things for the business including fuel, clothes etc. There is guidance

on what you can and can’t put down as an expense.

You then take the expenses away from the NET profit to find out your GROSS profit and then you pay tax and National Insurance on that amount.

Whether you are employed or self-employed, you will have a personal tax code and that means you only pay tax over that amount.

## **“If I want to be self-employed, what do I have to do?”**

- you need to let HMRC know that you are self-employed, and what structure you are choosing
- you will need business insurance (maybe public liability, employee liability or other, business dependent)
- it is advisable to get a business bank account or use business software to keep your finances separate
- start bookkeeping straight away, so keep all business receipts and regularly log your accounts
- you may need to tell/ask your landlord or mortgage provider if you are working from home
- if you receive any benefits, you must inform them.



# “Is there any support for me as a young entrepreneur?”

## **Gov UK**

The UK government can help you navigate everything you need for setting up a business (including the legal and financial side). On the gov.uk website you can find tools and guidance that cover tax, finance, debt, laws and regulations, licences, copyright and trademarks, and more.

## **The Prince’s Trust**

The free enterprise programme includes information, workshops, mentoring and a chance to present your business plan. You can get in touch to find out more about what’s involved.

## **The National Lottery**

You can find and apply for which funding you are eligible for with National Lottery grants and project funds.

## **The Ingenuity Programme**

This programme is a national innovation programme that directly addresses the UK’s major social, health, and environmental challenges through the creation of impactful new start-ups. The most impactful ideas are awarded top prizes and receive a share of £75,000 in prize funding.

## **Solent Local Enterprise Partnership (LEP)**

This was formed after the government offered local areas the opportunity to take control of their future economic development. It is a locally-owned partnership between businesses and local authorities and plays a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.



# 3. Building your entrepreneurial skills

**There are a variety of ways you can describe yourself and your strengths.**



## Building your entrepreneurial skills

### **Youth Employment UK**

To get started with skills building, use the free Young Professional training programme to learn about these skills and plan ways you can build them, use them, and show them off.

### **Google Digital Garage**

You can build your digital and professional skills with both free and paid courses and events from Google. You can cover topics such as data analytics, marketing, video creation, coding, selling online and more.

### **The Princes Trust**

They offer courses, enterprise initiatives and mentoring. Whether you want to work on your confidence, gain essential skills for work or start a business, The Prince's Trust is here to support you.

## 4. Useful resources

**First and foremost, remember in college we have a Careers and Progression Team who can help and support you with your next steps. You as a student or past student can access support with us. We advise you book an appointment, and you can do that [HERE](#)**

Working for yourself - GOV.UK  
([gov.uk](https://www.gov.uk))

A Guide to Going Self-Employed  
([axa.co.uk](https://www.axa.co.uk))

Set up as self-employed (a 'sole trader'): step by step - GOV.UK  
([gov.uk](https://www.gov.uk))

Set up a private limited company:  
Limited companies  
GOV.UK ([gov.uk](https://www.gov.uk))

Set up a business partnership:  
Setting up - GOV.UK ([gov.uk](https://www.gov.uk))

Get help and support for your  
business - GOV.UK ([gov.uk](https://www.gov.uk))

SE1 Thinking of working for  
yourself?  
([gov.uk](https://www.gov.uk))

A small business guide to self  
employment ([smallbusiness.co.uk](https://www.smallbusiness.co.uk))

Support for starting a business,  
Free Enterprise programme  
([princes-trust.org.uk](https://www.princes-trust.org.uk))

