

Keeping a close eye

A succinct guide to tax for DH&Ts, by tax expert Bob Cummings

The arrival of direct access, which allows you to carry out permitted duties without the prescription of a dentist, is likely to change the way some DH&Ts work. I predict more of you will attempt to arrange your affairs so that self-employment status applies.

At the time of writing, a large number of DH&Ts are directly employed by a dental practice. If you fall into this category, your tax affairs are more straightforward. For instance, if you are employed, your tax and National Insurance is deducted by your employer and paid over to HM Revenue & Customs on your behalf. But you can't switch off completely. You need to check you are being taxed correctly through PAYE and claiming all possible tax allowances.

Destiny

If you are self-employed, you should organise to pay Class 2 National Insurance, which is currently £2.70 a week. You will be able to set a number of items of expenditure against tax and you may find you want advice on your tax return from a specialist dental accountant. The new control you can assume over your own destiny does bring new responsibilities. It is important to have a proper written contract in place with the owner of the practice and to be sure both you and your practice-owner are clear about your employment status. If you want to be self-employed, you must meet a variety of criteria.

As a general observation, it has always been understood that it is easier for DH&Ts who work at more than one practice to establish self-employment.

Her Majesty's Revenue and Customs has some information online which relates to DH&Ts. Although it's a little out of date, this also supports the view that working in more than one practice helps.

<http://www.hmrc.gov.uk/manuals/esmmanual/esm4031.htm>

NASDAL is currently updating its advice in the light of direct access and what it will mean both for you and for dentists. Watch this space!



Checklist

If you can answer 'yes' to most of the following, you are probably self-employed:

- 1 Do you set your own hours and decide what holidays to take, and when?
- 2 Do you risk your own money in the business?
- 3 Are you responsible for meeting any loss as well as taking any profit from the business?
- 4 Do you have to correct unsatisfactory work in your own time and at your own expense?
- 5 Do you have a final say in how you work in the business?
- 6 Can you hire someone to do the work or engage helpers at your own expense?
- 7 Do you provide the main items of equipment you need to do the job?

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