

Can I apply for Benefit if I am self-employed?

Yes, you can apply for Housing Benefit and Council Tax Benefit if you are self-employed. We will work out your benefit using your and your partner's income, savings and personal circumstances.

How do I apply and what sort of proof of income do you need if I am Self-Employed?

You will need to complete one of our Housing & Council Tax Benefit Application Forms and provide your latest profit and loss account or provide account books for the last 12 months.

Do I need to have an accountant?

No, many self-employed customers don't have accountants. You just need to keep an accurate record of your income and expenses associated with your business. We will need a summary of these over a period of time; your expenses must be broken down into categories for costs like Rent, Car or Phone charges etc. By keeping accurate records this will allow us to assess your claim for benefit more quickly.

Why do I need account books? Can't you just base my claim on the amount that I am drawing each week?

No, we cannot base your claim on the amount you are drawing. It must be based on your net profit. This is the figure calculated after taking allowable business expenses from the gross income of the business. Any amounts which you draw from the business are not classed as income or expenses.

What if my business is new and has just started trading?

For a new business you will need to give us a Written Projection of what you estimate the business will earn for the first two or three months of trading, you will need to include details of what you estimate the business expenses will be.

If you have been trading less than three months you would also need to provide your Daily Cash Book and a weekly breakdown of your income and expenditure from the date you began trading as these will help us make an accurate initial assessment of what the business will earn.

We will review your claim after a period of time and get your actual figures.

What if I know that I am not going to make anything for the first few months because of the nature of my business?

We may decide to assess you as having no income for this period of time and review your claim at a later date.

How will you work out my Benefit?

We work out your Housing Benefit and Council Tax Benefit using your and your partner's income, savings and personal circumstances. As you are self-employed, we must work out your weekly earnings (after tax) from your business and add this to any other income you and your partner receive.

The benefit application form asks you for the rest of the information we need, but as you are self employed there are extra things we need to know about your business.

What about savings and personal expenses?

When we work out the profit of the business, we will add back in any savings you take from the business or any household or personal expenses you pay from the business.

We cannot allow anything personal to be taken off your income, such as household bills and so on. The only things we take from your earnings are tax (we will work this out ourselves), National Insurance and 50% of any private pension payments. Childcare fees up to certain limits are also allowable, but you must meet certain conditions.

We work out your weekly earnings for benefit purposes using your share of the profit of the business.

Do I need to provide receipts for all my business expenses?

If you have been in business for less than 12 months, you must provide receipts for all your business expenses. It is good practice for you to keep all your receipts anyway as we could ask for proof of payments at any time.

What about Loan Repayments or Grants for the business?

Not all loan repayments are allowable. It depends on why you took out the loan. In some cases, only the interest part of the loan is allowable, in others it may be the capital and interest.

Grants may also be allowable, for example, payments under the Access to Work Scheme are disregarded.

Should I tell you about changes which have an impact on my business?

Yes, you should remember to tell us about changes which will have an impact on the income of your business. Things like (1) a change from full-time to part-time, (2) the loss of a major customer or (3) if your business is affected by seasonal work.

You should also tell us if the income of your business significantly increases or reduces and of this change has remained steady over a period of time.

Is there any way that I can get an estimate as to whether I am likely to qualify before I make an application?

Yes, on our website is our easy to use Online Benefit Calculator. It will ask you to provide figures relating to your business and circumstances and will give you an estimate as to whether you are likely to qualify for Housing Benefit or Council Tax Benefit. Just go to the following address to use this:

www.gateshead.gov.uk/benefitscalculator

How do I make an application and when can I get further help?

You will need to complete a Housing and Council Tax Benefit Application Form. Our contact details to request an application form or get further advice are shown below:

E-mail: benefitenquiries@gateshead.gov.uk

Telephone: 0191 433 4646

In Person: Gateshead Civic Centre, Regent Street, Gateshead
Monday to Thursdays 8.45am to 5pm
Fridays 8.45am to 4.30pm