

'What's my gig' information sheet

Employed

You are contracted to work by an employer in return for payment. You could be full-time or part-time.

Payment is by the hour, week or an annual salary. Payment could be made weekly, monthly or every four weeks, depending upon your contract. It could also be paid by piece. Piecework means you are paid a fixed price for each unit produced or action performed, regardless of time taken. E.g. making a shirt in a clothing factory.

You will be covered by employment laws. You are entitled to holiday pay and will usually get at least minimum statutory sick pay. Your employer will make sure your tax and national insurance contributions are made. If you are over 22 and earning at least £10,000 per year (Jan 2023), they must contribute to a workplace pension for you (which you will need to be auto-enrolled for). You may get other benefits such as health insurance or a car.

Self-employed:

You work for yourself. You must find your own work opportunities and generate your own income. You only get paid for the work you do. You are responsible for paying tax and national insurance contributions through completion of a self-assessment. You may not be paid for holidays or when you are sick, so you will need to consider how you will manage financially for periods when you will not be earning money, e.g. savings or taking out insurance cover if you're unable to work. There is no automatic workplace pension, so you will need to consider enrolling in a personal pension scheme to save for your retirement.

Casual worker:

You are an employee who occasionally works for a business. The business does not have to offer you work and you do not have to accept it. The business makes sure your tax and national insurance contributions are paid. You will be entitled to basic statutory employment rights, such as the National Minimum Wage (NMW), holiday pay and statutory rest breaks, based on the hours that you are required to work. If you earn more than the Lower Earnings Limit, you are entitled to statutory sick pay. Casual work is similar to a zero-hours contract.

Zero-hours contract:

You have a contract with an employer where they are not obliged to provide any minimum working hours. You are not obliged to accept the hours offered. You might sign an agreement to be available for work as and when required, but the number of hours or time of work are not specified. You will be counted as 'employed', even though you may not do any work in any given week. As there is no set working pattern, forward financial planning can be more difficult. You will be entitled to basic statutory employment rights such as the National Minimum Wage (NMW), holiday pay and statutory rest breaks, based on the hours that you are required to work. If you earn more than the Lower Earnings Limit, you are entitled to statutory sick pay.

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Gig contractor/Contract worker:

You are an independent worker who undertakes a temporary contract or position within a company for a short period of time. You will work for a 'fixed' price regardless of how long it takes you to do the job. You are responsible for paying tax and national insurance contributions. You will only get paid for the work you do. You may not be paid holiday or sick pay and will need to fund your own pension.

Entrepreneur:

You are someone who has designed, launched and is running a new business. Your aim is to build what you do into a profitable business, employing others and building invested wealth. You pay yourself a salary and arrange tax and national insurance payments. You may have other company benefits such as a car. As the business pays you, you will be entitled to holiday and sick pay. You will need to consider how you fund your pension.

Volunteer worker:

Volunteer worker: You are someone doing unpaid (voluntary) work for an organisation. You will not be paid for the voluntary work you do. However, you may be able to choose how many hours you give and when. You may do voluntary work to help build your experience and skills or to contribute to your local community. You might do voluntary work whilst you are trying to find permanent paid employment, or because you are retired but still want to be doing something. You may also be able to do voluntary work whilst working. Some employers offer this as an employee benefit.