

Factsheet for Individual Employers

Contracting a Self-Employed Personal Assistant

What is a Self-Employed PA (SEPA)?

SEPAs provide personalised care and support services to individuals, often those receiving Direct Payments but also self-funders.

A SEPA works as an independent contractor who manages their tax and National Insurance (NI) with their own public liability insurance, and other business responsibilities.

SEPAs are not entitled to any statutory employment rights (unlike employed PAs). This is because they are not classed as an employee. Instead, they are a small business/contractor - effectively becoming a (micro) provider of care and support services.

“When using a self-employed PA, it’s important to remember it’s a service, not employment.”

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IMPORTANT

Employment status (to be employed or self-employed) is determined by the facts of the working relationship - such as the level of control, the nature of the work, how the worker is paid, and how the parties operate in practice - not by the title or label they give it. When there is a dispute about a worker's status, it can be assessed by HMRC and the employment tribunal.

The [Low Incomes Tax Reforms Group \(LITRG\) have produced guidance](#) for anyone wanting to understand and assess their PAs employment status.

Please note - If you are employing a Personal Assistant (PA), please see our separate [factsheet for Individual Employers](#).



Benefits of using Self-Employed PAs

Personal Assistants (PA) provide personalised care and support. PAs who provide personal care (a service that would normally require regulation) are exempt from Care Quality Commission (CQC) regulation if engaged or employed directly by an individual managing their own care and support needs.

Engaging a SEPA is a great way to access self-directed personalised support if you are unable or do not wish to employ someone directly and are willing to relinquish some control.

Benefits of using SEPAs include:

- eliminates employer **responsibilities** such as managing payroll, holiday pay, employer National Insurance, and pensions
- administrative simplicity, as SEPAs handle their own tax and insurance.
- suitable for short-term, ad-hoc, or specialist support
- no ongoing obligation to re-engage the PA after an assignment ends.

“I like being able to find a PA without all the paperwork of employment.”

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Challenges of using Self-Employed PAs

Engaging a SEPA limits the control you will have over the care and support you receive, who provides it, when and how. Contracting a SEPA is not ordinarily suited to people requiring an ongoing, personal service, i.e., where you can guarantee the same person will provide the support you need when you need it.

IMPORTANT

Engaging a self-employed PA to provide you with a service is fundamentally different to employing someone. Employment provides you with more control over who supports you, but more responsibility towards the person providing the work (employment contract). Engaging a self-employed person limits your control but reduces your responsibilities (service contract).

Some challenges include:

- **Risk of misclassification** i.e., that you may treat the PA as an employee and/or HMRC may judge the role to be employment, resulting in unexpected liabilities.
- **Higher hourly rates:** SEPAs cover their own business costs, tax and NI.
- **Less stability:** SEPAs can refuse work or terminate an agreement quickly.
- **Limited control:** You cannot impose employee-style control over their working hours or methods.
- **No requirement for personal service:** SEPAs can suggest a replacement PA or send a substitute when they cannot work (to ensure the service is still provided).

“It’s freeing in some ways, but you have to accept that the PA manages themselves as a small business.”

Individual Employer

Responsibilities of engager when using SEPAs

- **Conduct due diligence:** check self-employment status, insurance, and Unique Tax Reference (UTR).
- **Consider using the Checking Employment Status for Tax (CEST) tool** to help you determine your PAs status.
- **Negotiate terms.** Ask for a written service agreement from your PA.
- **Keep records**, invoices, logs (timesheets, changes to care activities), and payment records for monitoring purposes.



Differences between employing a PA and contracting a SEPA

Employees:

- You operate payroll and pay employer NI and issue pay slips.
- Must provide holiday pay, Statutory Sick Pay (SSP), and pensions.
- You control hours and tasks.
- More stable and usually lower hourly rate.
- **Employer has full control.**

Self-Employed PAs:

- No payroll or employer National Insurance, SEPA invoices you for payment.
- No obligation to provide holiday pay, sick pay, or pensions but higher hourly rate.
- PA controls how work is delivered— more like a small or micro care provider.
- **Less control and stability, often not suitable for ongoing regular support.**

What are the risks of getting it wrong?

Getting employment status right is important. If there is uncertainty or dispute, HMRC or the courts can determine a person's employment status. Misclassification can create liabilities for the engager.

Making an informed choice

As the engager, you will be best placed to decide what option is right for you, weighing up the risks and benefits in line with your own personal circumstances.

Direct Payment information and advice/support services can help PA users navigate their options, helping them to make informed, legally compliant decisions about their personalised care and support arrangements.

Useful website links:

- Low Incomes Tax Reforms Group (LITRG) - [Is your PA employed or self-employed?](#)
- [Checking Employment Status for Tax \(CEST\) tool](#)

