

Self Employment Registering a Partnership

When a client intends to start trading as a self employed person within a newly formed partnership, there are a number of important steps to take: -

- The partners will need to register for Self Employment by the 5th October of the fiscal year ended in which trading started (eg, trading started in February 2011, they must register before 5th October 2011).
- Each partner, if earning profits above the £5075 per annum (2010/11) must register for Class 2 stamp.
- The partnership will need to be registered.

If registration is not necessary for Class 2 stamp, it is still important to contact the National Insurance Contributions Office to ensure that it has been informed that profits are not expected to exceed the limit and therefore Class 2 stamp is not payable. They will issue an exemption certificate.

Failure to register any of the above, could result in a fine of £100 for each partner.

Each partner is responsible for their own personal tax, and within a partnership one of the partners will be the “nominated” tax office contact, responsible for the completion and filing of the partnership tax return. All other partners should receive a copy of this return for their own tax returns, and all partners are responsible for late filing penalties. If there are late filing penalties EACH partner is liable to a fine of £100.

Key contact numbers are: -

Newly Self Employed 0845 915 4515 Mon-Sun 8.00am-8.00pm
Registration and Advice

Self Employed 0845 915 4655 Mon-Fri 8.00am-5.00pm
National Insurance
Contributions

There is also the option to down load a form from the Inland Revenue Website

<http://www.inlandrevenue.gov.uk/startingup/register.htm>

This form must be signed and sent to the Inland Revenue office indicated.

After registering for Self Employment, the nominated partner needs to contact the local tax office to register the Partnership.

A period of 1 week should be left between registering as self employed and the partnership to ensure that the paperwork has been transferred.

A partnership return (SA800) should then be sent when self-assessments are issued in early April, and in general a “Short” form for the partnership will be a section within the Self-Assessment.

Partnership returns for partnerships consisting of self-employed individuals have filing dates that follow the self-assessment calendar [Self Assessment Critical Dates](#)

Each Partnership will also have its own Unique Tax Reference (UTR) which is a 10 digit number at the top of the return.