



exploring faith matters

Registered Charity No: 1061962

GUIDANCE NOTES to Efm's AGREEMENT with MENTORS

The Agreement which Mentors enter into with Efm when setting up an Efm Group is applicable to that particular study year, and hence a new Agreement will need to be entered into at the start of each study year for which you are acting as Mentor for any Group. The Agreement enables you to render invoices to Efm for your services as a Mentor following particular events, namely:

- 1) an annual grant to assist with the administration and running costs of the group
- 2) following your submission of Group Status Reports and Registers for your Group after:
 - a) the initial 18 sessions, and
 - b) after the conclusion of the full 36 sessions.

Under the Agreement, you are responsible for all income tax and national insurance liabilities arising by virtue of having self-employed status for taxation purposes. Under current taxation law, if you become self-employed, you MUST register with the Inland Revenue within the first three months of starting such self-employment, whether or not you are, or continue to be, employed in another job, and whether or not you already complete an annual income tax return. Inland Revenue leaflet "P/SE/1 - Thinking of working for yourself" provides further information for new self-employed individuals, and has the registration form CWF1 enclosed. Once registered, the Inland Revenue will make arrangements for you to start paying self-employed (Class 2) national insurance contributions.

However if you have no other self-employed income, and as your year's gross income from Efm for one group (the maximum being £685 ie £25 plus 12 x £55) will be well below the small earnings exception of (currently) £4,215, you are able to apply to be excepted from paying Class 2 NI contributions. The explanatory leaflet "CA02 - NI contributions for self-employed people with small earnings" contains the exception claim form CF10. In addition, it would be advisable to inform the Inland Revenue when first registering that your expected net income will be less than £685 so that hopefully the exception procedures can be put in place as early as possible. Copies of both leaflets can be obtained by telephoning the Inland Revenue Self-employed Helpline number 0845 915 4655, or more information can be obtained at www.inlandrevenue.gov.uk. It may help to have your existing NI number available when telephoning.

Being self-employed, you will have to prepare a simple set of accounts each year (possibly choosing the tax year for convenience) and include your net income on an annual income tax return. Certain expenditure incurred wholly and necessarily for the purposes of running your Efm group can be claimed as expenses in your accounts. You need to maintain records for six years of the invoices you send Efm, and of all expenditure incurred including, where possible, receipts for all such expenditure. The net income after such expenses will be subject to income tax under the self-assessment rules, although the Inland Revenue will do the tax calculations for you providing you return your tax return before 30th September following the end of the tax year. You must advise the Inland Revenue if you cease self-employment, ie if you decide to stop being an Efm Mentor.

These guidance notes are only intended to give very brief explanatory information relating to the Efm 's Agreement with Mentors and to some of the implications arising there from, and you may therefore need to make further enquiries depending upon your own particular circumstances.