Self-Employment

Money

What changes when you work for yourself, and what to set aside.

General principles; the specifics differ by country.

1. **Register**
   Most countries require registration within a set period of starting.

2. **Separate the money**
   A second account for tax. Move a percentage of every payment in immediately.

3. **Keep records**
   Every invoice and every receipt. Digital copies are usually acceptable.

4. **Know your allowable expenses**
   Costs wholly for the business reduce taxable profit.

5. **File and pay on time**
   Penalties are automatic and rarely negotiable.

A COMMON RULE OF THUMB

Set aside 25–30% of every payment
More at higher income
Better to over-reserve than to owe

General education, not tax advice. An accountant usually costs less than the mistakes they prevent.