



Self-Employed Persons

WHO ARE SELF-EMPLOYED?

The term “*self-employed*” describes a person who works for money, but does not have a boss. Self-employed persons fall into three main groups:

- i. individuals such as contractors, farmers, barbers, hairdressers, shopkeepers, tailors, dressmakers, doctors, lawyers, accountants, artists, transport operators, and members of professions in independent practice;
- ii. agents who may have more than one job, and who are paid by commission or fees or who share in profit; and
- iii. a married person who is a partner or who works for or with his/her spouse.

Also grouped as self-employed are the Governor-General, the Prime Minister, Cabinet Ministers, Members of Parliament, and Senators.

CLASSES OF SELF-EMPLOYED PERSONS

As of January 1, 2011, the distinction made between self-employed persons in classes “A” and “B” is no longer particularly relevant. Prior to the 2010 Amendments that took effect on January 1, 2011, the main difference between the two classes was one, Class “B,” paid contributions at a higher rate than the other and was, therefore, eligible for industrial benefits. As of January 1, 2011, all self-employed persons pay at the same rate and have the same benefit entitlements.

Benefits Payable to Self-Employed Persons

All Self-Employed persons are required to pay contributions monthly at a rate of 8.8% of their average insurable income (insurable income is from \$1 to \$500 per week as of January 2011). The payment of contributions entitle them to all National Insurance benefits, with the exception of Unemployment Benefit.



CONTRIBUTIONS

Self-employed persons, at the beginning of each year, determine what amount will be used as their average insured income for the payment of contributions that year. (NIB’s Inspectors are empowered to examine income records to confirm that the amount set is in keeping with actual earnings.)

Once the income level is set, the individual must pay contributions based on that amount for the entire year; at the end of the year, he/she can re-evaluate the year’s earnings and make adjustments as needed for the subsequent year.

Contributions are payable monthly. They must be received into the Board no later than the 15th day of the month following the month which it was payable. Interest is automatically applied to all late payments.

A monthly contribution statement (Form C.10) must be handed in with each payment.

