

Record Fall In Self-Employed Individuals In The UK, Reports Bambridge Accountants

Wednesday 19 August, 2020

The August 2020 report from the Office for National Statistics, shows a [record fall of self-employed people](#), reports [Bambridge Accountants](#).

- 238,000 fewer self-employed individuals in the latest quarter (April to June 2020 compared to January to March 2020)
- 4.8% fall - 4.76 million in the current quarter, compared to 5 million in the previous quarter

The decrease in the self-employed over the quarter was driven by construction (down 57,000, or 6.2%, to 862,000), professional, scientific and technical services (down 55,000, or 8.3%, to 610,000) and administrative and support services (down 55,000, or 14.3%, to 333,000).

The number of self-employed people changing employment status to employees is at a record high

The number of people who changed from reporting themselves as self-employed to an employee increased by 48,000 on the quarter and 81,000 on the year to a record high of 253,000.

Looking for job security

Many freelancers are returning to employment for job security.

During the last few months, new and other self-employed individuals found that they were excluded from the [self-employed grant scheme from HMRC](#).

A report from The Institute for Fiscal Studies, estimates that [two million freelancers were excluded](#) from support.

- 1.3 million who had self-employed income, but were ineligible because they received less than half of their income from self-employment. Only 39% of this group also had employed income - a large proportion of the group are drawing a pension while continuing to work.
- 225,000 will be ineligible because their self-employment profits were more than £50,000 a year.
- 650,000 will be ineligible because they entered self-employment in the past year.

The three groups overlap, the estimate is that in total around 2 million people with some self-employment income (38% of all self-employed individuals) were not eligible for the grant.

Changes to [Taxes for Self-Employed](#)

Self-employed individuals have historically benefited from lower taxes as compensation for lack of sick pay, holiday pay, other benefits and job security.

Recent reductions to tax allowances for setting up your own company and the anticipation that [National Insurance is due to be increased](#) for self-employed individuals has pushed many potential freelancers back into employment.

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