

SUE LESCHEN presenting for CIOL INTERPRETERS' DAY

16 03 24

Protecting our income how and why!

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PROTECTING OUR INCOME

WHEN?

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PROTECTING OUR INCOME

BEFORE WE EARN IT

AFTER WE EARN IT

WHEN WE ARE ALIVE

AFTER WE ARE DEAD

PROTECTING OUR INCOME

INCOME PROTECTION Our Accounts

Accountant

DIY

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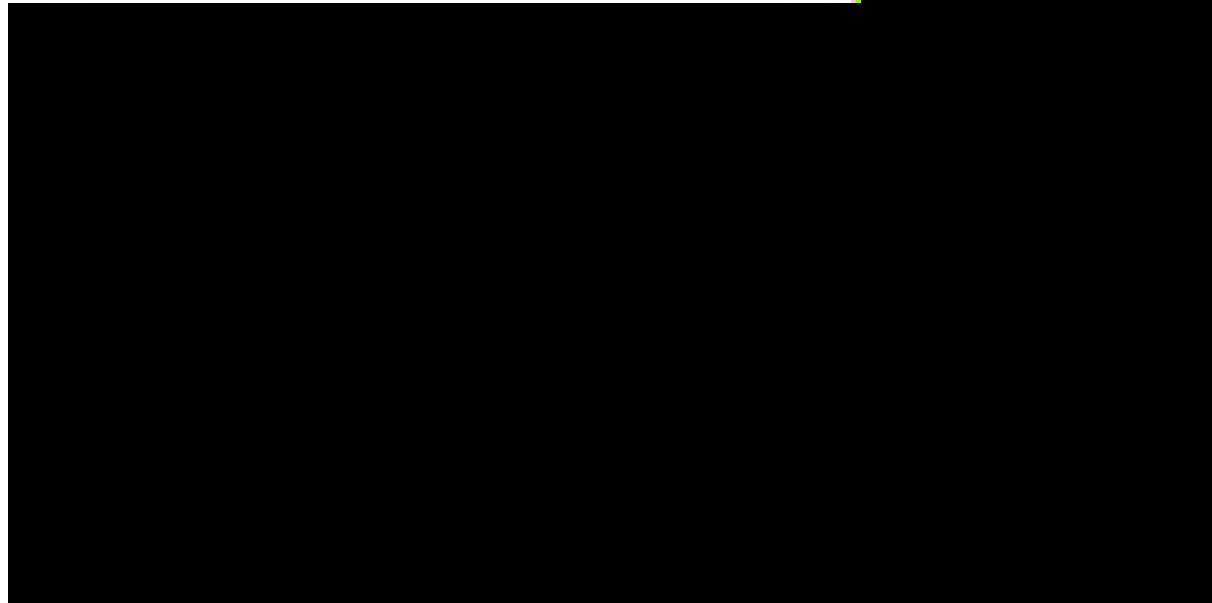
INCOME PROTECTION Use an Accountant?

Pay accountant so no dead time - we can keep earning!

Independently prepared accounts

Minimise risk of potential problems with tax authorities

INCOME PROTECTION TIME!



INCOME PROTECTION Use an Accountant?

Advantages of an independently prepared set of accounts

Can support applications for business loans, mortgages

Can minimise potential problems with the tax authorities

INCOME PROTECTION Minimising potential problems with the tax authorities....



him

INCOME PROTECTION Must don't pay any income tax?

I've got a great accountant I never have to pay any tax!

My husband is a non-taxpayer so I ask some of my clients to pay him rather than me!

INCOME PROTECTION ~~©~~ Get free financial advice!

HM Revenue and Customs – variety of free webinars on subjects such as VAT, self – employment: sign up for free email help and support

<https://www.gov.uk>

Martin Lewis - The Money Saving Expert – Weekly e newsletter and ITV series

<https://www.moneysavingexpert.com>

MoneySuperMarket

<https://www.moneysupermarket.com>

INCOME PROTECTION Best legal status for your business?

INCOME PROTECTION CREDIT CHECK POTENTIAL NEW CLIENTS

Proz.com Blue Board

Companies House

INCOME PROTECTION Get help with drafting terms and conditions

CIOL provides specimen contracts for both translators and interpreters

CIOL also has a free mentoring service

CIOL Interpreting Division hosts online "help" drop ins from time to time



INCOME PROTECTION INSURANCE FOR CYBER FRAUD

39% of UK businesses experienced a cyber - attack in 2021

31% of these businesses estimated that they were attacked at least once a week

GOV.UK Cyber Security Breaches Survey 2022

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INCOME PROTECTION PROBLEMS CAUSED BY CYBER FRAUD

Client's data stolen or deleted
Loss of access to programmes, files or data
Business disruption
Loss of revenue
Loss of reputation

INCOME PROTECTION REPORTING CYBER FRAUD

The Information Commissioner's Office if breach involves personal data* and any individual is at risk

*GDPR (DPA 2018)

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INCOME PROTECTION CYBER FRAUD PRACTICAL HELP

Action Fraud

National Fraud & Cyber Crime Reporting Centre

 actionfraud.police.uk

INCOME PROTECTION PROTECT OUR MINDS AND BODIES

Approximately 50% of work – related illness is due to stress, depression or anxiety

Health and Safety Executive (2024)

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INCOME PROTECTION INSURANCE FOR.....

Clients on our premises

Us when working on clients' premises

INCOME PROTECTION INSURANCE AND SMALL PRINT?

Check house contents insurance – covers mobile phones too?

Does current bank account have insurance cover rewards – AA, multi – trip travel?

Are cancelled trips covered (COVID) and repatriation

Check if additional top -

INCOME PROTECTION PAYMENT

Payment up front: 25%, 50%, 100%

Short payment terms: 7 days, 30 days

Don't accept the first rate offered

Charge more if rush job or rare language

Payment mechanism with no or inexpensive fees: PayPal

Favourable exchange rate if foreign currency

INCOME PROTECTION DON'T DO UNPAID WORK!

Pro bono



Unpaid extra pre - job start or end time "Just start 15 minutes earlier"

INCOME PROTECTION POORLY PAID WORK.....



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INCOME PROTECTION EFFECTS OF POORLY PAID WORK

Those in this pool are underbidding and undermining each other to get low paying jobs

Bottom line if you sign up to this:

Nobody benefits in the long term and the profession in general is brought into disrepute

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INCOME PROTECTION EFFECTS OF POORLY PAID WORK



INCOME PROTECTION FOR EMPLOYEE OR PSEUDOEMPLOYEES?

LSPs appear to be getting all the benefits by controlling

Type of contract

How, when and where we work

Rates

Financial penalties

Corporate ID documents

INCOME PROTECTION FOR EMPLOYEE OR PSEUDOEMPLOYEES?

But LSPs not paying

National Minimum Wage

Sick pay

Holiday pay

Bonuses

Pension contributions

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INCOME PROTECTION SPECIALISMS AND EXPERTISE ARE KEY



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INCOME PROTECTION NATIONAL INSURANCE

2024 - 2 million self – employed UK workers will benefit from the abolition of Class 2 national insurance contributions and a one – point cut to class 4 national insurance contributions which will mean savings of approx. £350.00 per annum each.

A full year of NICs costs approx. £302.64 per annum according to <https://moneysavingexpert.com>

INCOME PROTECTION TAX FREE SAVINGS

ISAS – maximum investment of £20,000 per annum: from 2024 can invest in multiple ISAs every year with different providers

Premium Bonds – minimum investment is £25. 00 and maximum is £50,000 and any wins are not subject to either income tax or capital gains tax . Bonds can be cashed in at any time.

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INCOME PROTECTION WHAT IS THE PLAN?



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INCOME PROTECTION ~~NOPE~~

INCOME PROTECTION DUE DILIGENCE CHECKS

Don't fall into the industry "by accident"

SMART analysis

Variable income –

INCOME PROTECTION & FINANCIAL PLANNING*?

59% had no financial plan in place

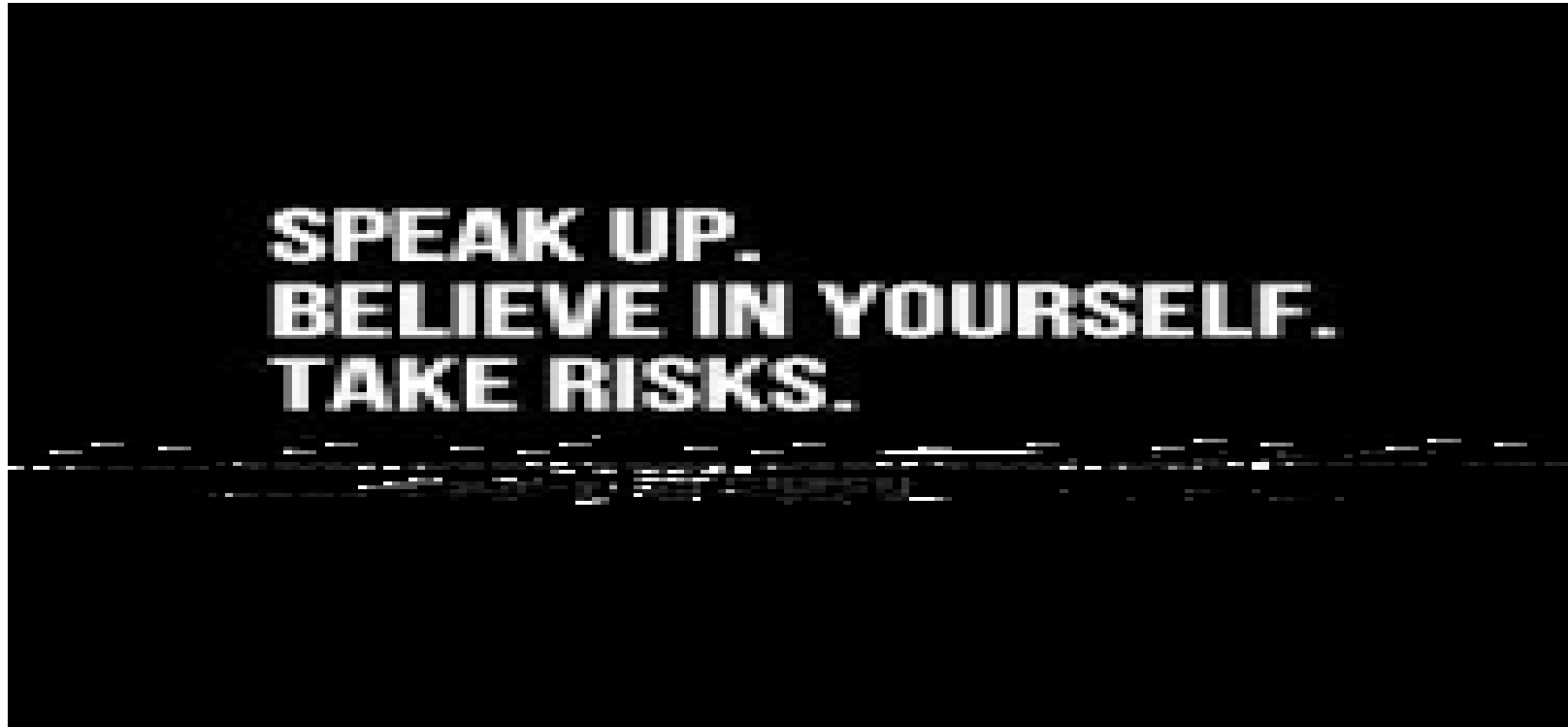
25% had not reviewed their outgoings in the past 6 months

31% had not checked recently either if they could get a better rate on their savings or if they could get a better deal on their gas or electricity

* 2024 Research commissioned by wealth management company St James Place

<https://www.sjp.co.uk>

INCOME PROTECTION TAKE CALCULATED RISKS



INCOME PROTECTION BEFORE DEATH

Provisions of your Will should govern your estate

Get a **free** Will – DIY precedent forms, Free Will Week (UK)

Get a **cheap** Will – drafted by a charity's solicitors in return for donation

NB

Wills can be challenged by family and dependents

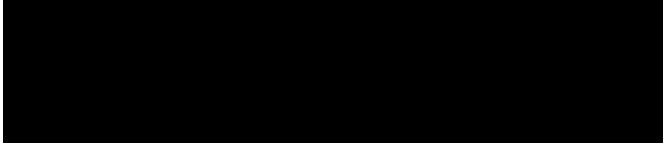
INCOME PROTECTION ~~ON~~ GETTING OLDER....

Losing or may lose mental capacity?

Set up Lasting Power of Attorneys for health and / or money

INCOME PROTECTION PRIVATE PENSIONS

Association of Independent Professionals and Self – Employed (IPSE)



INCOME PROTECTION RETIREMENT?

How much retirement income do you need per annum?

Less than a quarter of people in the UK are confident they know how much they should be saving for their retirement*

The minimum amount needed for a single person is £14,400.00 and £22,400 for a couple

*Pensions and Lifetime Savings Association (PLSA)

INCOME PROTECTION PLANNING FOR DEATH

INHERITANCE TAX (IHT)

We each have a £325,000 allowance: our beneficiaries will pay 40% tax on anything over that allowance.

INCOME PROTECTION PLANNING FOR DEATH

FINDINGS OF THE NATIONAL WILL REPORT (2023)*

2/5 of UK adults have not discussed instructions for after death with anyone as they felt it was too morbid a topic and/ or are not bothered about what happens after death

Only 46% of UK adults have made a will

Men more likely than women to make a will

*Commissioned by the National Will Register

That's it –thanks for your attention!

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