

Working in the family business is a financial bonus for some kids, including mine. The cherubs spent some of their holiday going through my receipts, putting them in date order and unfolding the mystifying dilemma of my travel tickets in preparation for this quarter's BAS. And, ever the children of a freelancer, they haggled up their fee. I'm so proud! Let's hope they'll take care of me in my old age - like my super, which has gone through some important changes in the last few months. More about that in my article, plus I'm about to hit the road again so more info about that too. And in the meantime, happy freelancing!

Monica



Freelancer's kids happy with their rate!

Freelance F A Qs

*Dear Monica,
I want to start doing some freelance work. What do I need to do this legitimately? ABN? Business name? What about tax? Etc etc etc*

Ben (and similar from Nikie)

A nice big question from you two! If you come to my one of my workshops (plug, plug) I can answer all those questions... but I'm of course happy to give you basic tips for now. :)

Firstly, to trade as a business of any sort (that includes being freelance), you must have an ABN. It's fairly easy to get from www.abr.gov.au and free. Don't worry about GST yet, but save some money for your income tax.

You might need a business name as well, unless you're trading under your own name. To register a biz name you need to contact your state office of consumer affairs, or search www.business.gov.au for info.

You could also use some basic marketing tools, including a business card, and a website that you can refer people to. Last but not least, you need clients!

Fancy an answer? Email faq@freelancesuccess.com.au and we'll get back to you!

Feature Article: A Super New World

Last November some important changes were made to super law that have a profound effect on most freelancers, and yet slipped through the media cracks to the point where most people don't know about it - except *Freelance Success!*

Now, contractors (including freelancers, of course) might be eligible for the superannuation guarantee *without* having to become employees. This means your clients will have to pay an additional 9% on top of your fee to your nominated super fund, just like they do with employees.

To qualify, your contract must be *wholly or principally for labour*. That means that at least half of the work you're paid for is payment for using your intellect, your artistic effort, or for your physical labour. You can't delegate the work to anyone else, and you have to be paid for the time you work, *not* paid by the project or a flat rate.

Two things you *can't* do - you can't be paid as a partnership, or a company. You can only be a sole trader with an ABN.

You also need to satisfy the basic requirements of the super guarantee, meaning you must:

- ◆ be aged between 18 and 70
- ◆ be paid \$450 (before tax) or more in a calendar month, and
- ◆ work full-time, part-time or on a casual basis.

How does this work in real life? When you invoice your client, you charge as you would normally, even if you need to add GST. Whatever you have charged for your hourly or daily rate, your client then needs to pay 9% of that amount to your nominated super fund, *not* to you.

You'll need to discuss your super choice before you begin work, and perhaps outline which super fund you use in your contract. I also recommend putting the necessary details of your chosen fund on your invoice so the client knows where to put the money at payment time.

While wonderful, the difficult part of this super new world is convincing your clients that it's real. It takes time for new regulations to filter down, and many of your clients may not know it's true. Ask them to have a look at the ATO website if they don't believe you, all the info is there. Give them an ATO fact sheet if necessary. Good luck!

© Monica Davidson 2008

AdHoc

The Freelance Success Newsletter

What's Up Freelance Success?

◆ **Setting Up Your Own Creative Business is coming to your town...**

Once again, thanks to the dapper and convivial Centre for Screen Business, we're hitting the road and visiting Melbourne and Brisbane soon for some Workshop fun. **Running Your Own Creative Business** will be in Brisbane 13-15th June and in Melbourne 26-28 June. Venues TBA. We'll be in Sydney too in July, so stay tuned!

◆ **We're on the hunt for Groovies again...**

Tax time is coming and we need your help to find some more Groovy Accountants. Visit the Resources page of the website and you'll find our current fabulous mob. If you know any accountants who might qualify, let us know. While you're at it, why not revisit Electra Frost at EntArt on 0405 233 556 and visit our new (and first) Groovy Book Keeper Mark... Check him out!

◆ **Congrats to Camilla...**

FS network member and previous participant Camilla Noli has just released her first book *Still Waters*. She's also lecturing at the Sydney Writers Festival, and her book is being released in the UK. Well done Camilla! We're so proud. For more info about her work, visit www.camillanoli.com.

◆ **The ATO are coming to town, too...**

The ATO is running a series of seminars across Australia to help people with their quarterly BAS responsibilities. If you're interested in attending (it's free), check out the *Events* page on the Freelance Success website for more info. The workshops cover GST, PAYG and common BAS tips and traps. Perhaps I will see you there?!

Next mailout... Wed 11th June 08

freelance success

Business Skills for Creative People.

www.freelancesuccess.com.au
info@freelancesuccess.com.au
Telephone: 02 9516 5312
Mobile: 0408 211 318