



## Legal Assistance Information

# Working in the UK as a U.S. Military Dependent



### Self-Employment (Continued)

Alternatively, individuals can create "limited companies" or "business partnerships". These also require registration with the UK government agency "Companies House". The advantages and obligations associated with this require careful consideration.

Operating a business in the UK can be a very complex matter and may depend highly on individual circumstances. It is important to fully understand the obligations that come with each method of registration before commencing a business. As such, it is highly advisable to first obtain independent advice. More information can be found on the UK government site linked below:

<https://www.gov.uk/working-for-yourself>

### On-Base/ U.S. Government Employment

Many dependents may wish to work on-base, as this will often be the most straightforward method of employment. On base employment opportunities may include federal appropriated and non-appropriated fund (i.e., Services, MWR, DECA and AAFES) positions.

**NOTE: Those who are non-U.S. or are dual U.S./UK nationals may be ineligible for certain positions. Concerns relating to employment eligibility should be directed to the Civilian Personnel Office (CPO) or relevant NAF Agency. Contact information can be found on the CPO site linked at the bottom of this section.**

### Visas

Dependents working for the U.S. government do not require visas. Exempt vignettes are also not necessary. However, they are still recommended for other purposes such as for ease of entry into the country and ease of showing eligibility to work off base in the future.

### National Insurance Number

Those working for the U.S. government will be working under U.S. conditions, and as such, are not required to obtain a national insurance number or other UK documents in order to work.

### Taxes and National Insurance Payments

As individuals will be employed under U.S. conditions, they will remain in the U.S. tax and social security system, meaning there are no obligations to make additional payments into the UK system.

Any questions related to working on the installation should be directed to the Civilian Personnel Office or relevant NAF Agency.

<https://www.mildenhall.af.mil/Info/Civilian-Personnel/>

### U.S. Government Telework

Dependents may also be eligible to work remotely for U.S. government agencies via Domestic Employee Teleworking Overseas (DETO). An approved DETO agreement allows U.S. Government direct-hire employees, that are assigned to U.S. domestic positions, to telework from an overseas location. DETOs are not assigned to the overseas location but are given a temporary duty location while overseas.

### Visas

Dependents working under a DETO agreement will not require a visa. Exempt vignettes are recommended but not required.

### National Insurance Number

Those working for the U.S. government under a DETO agreement will be working under U.S. conditions, and as such, are not required to obtain a national insurance number.

### Taxes and National Insurance Payments

As individuals will be employed under U.S. conditions, they will remain in the U.S. tax and social security system, meaning there are no obligations to make additional payments into the UK system.

For further information on DETO visit the OPM site linked below. Airman & Family Readiness Center (A&FRC).

<https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/domestic-employees-teleworking-overseas-deto-locally-pay/>

### U.S. Company Telework (Non-Government)

Dependents working privately in the U.S. may wish to continue working for their employer remotely while in the United Kingdom. This may be an attractive prospect for individuals and employers. However, it is important to understand that the employer will be responsible for ensuring that their employee is working legally in the UK. For example, this may require the employer to establish a business presence in the UK or transfer the employee to an established UK branch so that they can work under UK conditions. Dependents seeking this form of employment should discuss this with their employer, as the base legal offices will likely be unable to assist.



# Working in the UK as a U.S. Military Dependent

This handout is for informational purposes and is applicable to the dependents of active duty U.S. personnel only. The dependents of DoD civilians and contractors will be bound by the conditions of their respective visas and may need to seek separate guidance. This handout is not a substitute for legal advice.

## **Off-Base/ UK Employer**

Dependents may wish to work off the installation and on the UK economy. The UK government has made several concessions to make this as easy as possible. However, there are several obligations that need to be considered.

### *Visas*

Since 2015, eligible dependents (spouses and children under 21) of active-duty U.S. military members stationed in the UK have been considered “exempt from immigration control”. This means that the ordinary requirement to hold a visa to enter, live and work in the UK does not apply.

While visas are not necessary, dependents may obtain “exempt vignettes” in their passports as a means of demonstrating this exempt status in situations where a visa would normally be required, such as for off-base employment purposes.

While obtaining an exempt vignette is optional, seeking off-base employment in the UK without one may be problematic, as employers are under a legal obligation to ensure that their employees have the right to work in the UK. A “manual document check” is a recognized method of checking an employee’s work status, and a passport that has an exempt vignette is an acceptable document for this purpose. As not all employers will be familiar with the exempt vignette, they can be directed to guidance on the process of conducting right to work checks linked below:

<https://www.gov.uk/check-job-applicant-right-to-work>

Vignettes are issued free of charge by the UK Home Office and can be applied for prior to arrival in the UK or after arrival via the base passport office.

### *National Insurance Number*

To work off-base in the UK, it is also necessary to obtain a “national insurance number” (NI). National insurance numbers are 9 digit codes consisting of both letters and numbers, serving a similar purpose to U.S. Social Security Numbers and ensuring that payments such as income tax are recorded under the correct name.

National Insurance Numbers can be applied for via the UK government website linked below. If you have made an application you may be able to work before you receive your NI number, provided that you can prove you have the right to work (e.g., via an exempt vignette).

<https://www.gov.uk/apply-national-insurance-number>

## **Off-Base/ UK Employer (Continued)**

### *Taxes and National Insurance Payments*

Taxation is highly dependent on an individual’s circumstances and can be a very complex matter. As such, individuals may need to seek independent advice to address their unique situation. Below is a basic overview that outlines some of the key points to consider when working for a UK based employer. If working for a non-government U.S. based employer, (e.g., working remotely or via transfer to UK location) there may be additional considerations. Under these circumstances the employer should be consulted, as base legal offices will likely be unable to advise.

Critically, there are no specific provisions that exempt dependents from paying income tax and national insurance contributions while working on the UK economy. Payments are normally deducted by the employer automatically under a scheme known as Pay as You Earn (PAYE). As such, most employees do not need to file UK tax returns. However, those who earn over £100,000, or have complicated tax situations, may be required to do so. More information can be found on the UK government website linked below:

<https://www.gov.uk/income-tax/how-you-pay-income-tax>

While dependents working off-base are generally not exempt from paying income taxes or national insurance contributions, there may be a number of tools available to ease their overall tax burden and limit the amount that is paid into both the U.S. and UK systems. These tools include the Foreign Earned Income Exclusion, Foreign Tax Credit and the U.S./UK Double Taxation Treaty. More information on the U.S. taxes payable on UK income can be found on the IRS site linked below:

<https://www.irs.gov/individuals/international-taxpayers/us-citizens-and-resident-aliens-abroad>

Similarly, U.S. dependents may be able to establish an exemption from paying into the U.S. social security system and obtain credit for contributions made into the UK national insurance system. This may be accomplished through the U.S./UK Social Security Totalization Agreement. More details are available on the Social Security Administration website linked below:

[https://www.ssa.gov/international/Agreement\\_Pamphlets/uk.html](https://www.ssa.gov/international/Agreement_Pamphlets/uk.html)

As previously stated, taxes and national insurance obligations are highly individual, and dependents should seek independent advice to fully understand their obligations and any relief that may be available.

## **Self-Employment**

Dependents may also wish to work for themselves, for example by starting a small business or continuing a trade. Those wishing to do so will need to ensure they comply with any applicable UK regulations and fully understand all the rules and obligations that may apply to them.

### *Visas*

The same visa exemption applies to military dependents who wish to create or run their own business while in the UK. Obtaining an exempt vignette remains highly recommended so that the individual has an easy method of proving their right to work in the UK if required.

### *National Insurance Number*

It will still be necessary to obtain a national insurance number so that payments and taxes can be properly filed. These can be applied for via the UK government website linked below.

<https://www.gov.uk/apply-national-insurance-number>

### *Taxes and National Insurance Payments*

Those who wish to work on a self-employed basis will usually need to register with the UK’s tax authority, His Majesty’s Revenue and Customs (HMRC). Individuals can register themselves as “Sole Traders.” Sole traders will need to file tax returns, keep proper records and ensure that any obligations such as income tax and national insurance payments are met. Additional information on operating as a sole trader can be found on the UK government page linked below:

<https://www.gov.uk/set-up-sole-trader>

For small businesses earning under £1000 in a tax year, it may not be necessary to file a tax return or register with HMRC. This is due to a tax free ‘trading allowance’. More information on this can be found on the UK government site linked below.

<https://www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income>

*NOTE: It is important to remember that items purchased tax-free cannot be resold on the local economy. This would include items such as food which has been made from ingredients purchased at the Commissary or BX. It is also important to remember that using the U.S. military postal system (i.e. APOs) for business purposes is also prohibited.*

*NOTE: If running a business from home, it is important to ensure you are permitted to do so. For example if you are in a rental property you may need to obtain your landlord’s permission.*