



IR35 Private Sector

Are you ready?

IR35 Changes - April 2020

Are you ready?

History

IR35 is a piece of tax legislation that has been around for years and affects contractors working through their own Limited Company. Until now the contractor has been the one to determine whether they are “in-scope” or “out of scope” of this legislation and whether it applied to them. Sole liability for this sat with the contractor.

Key Amendments

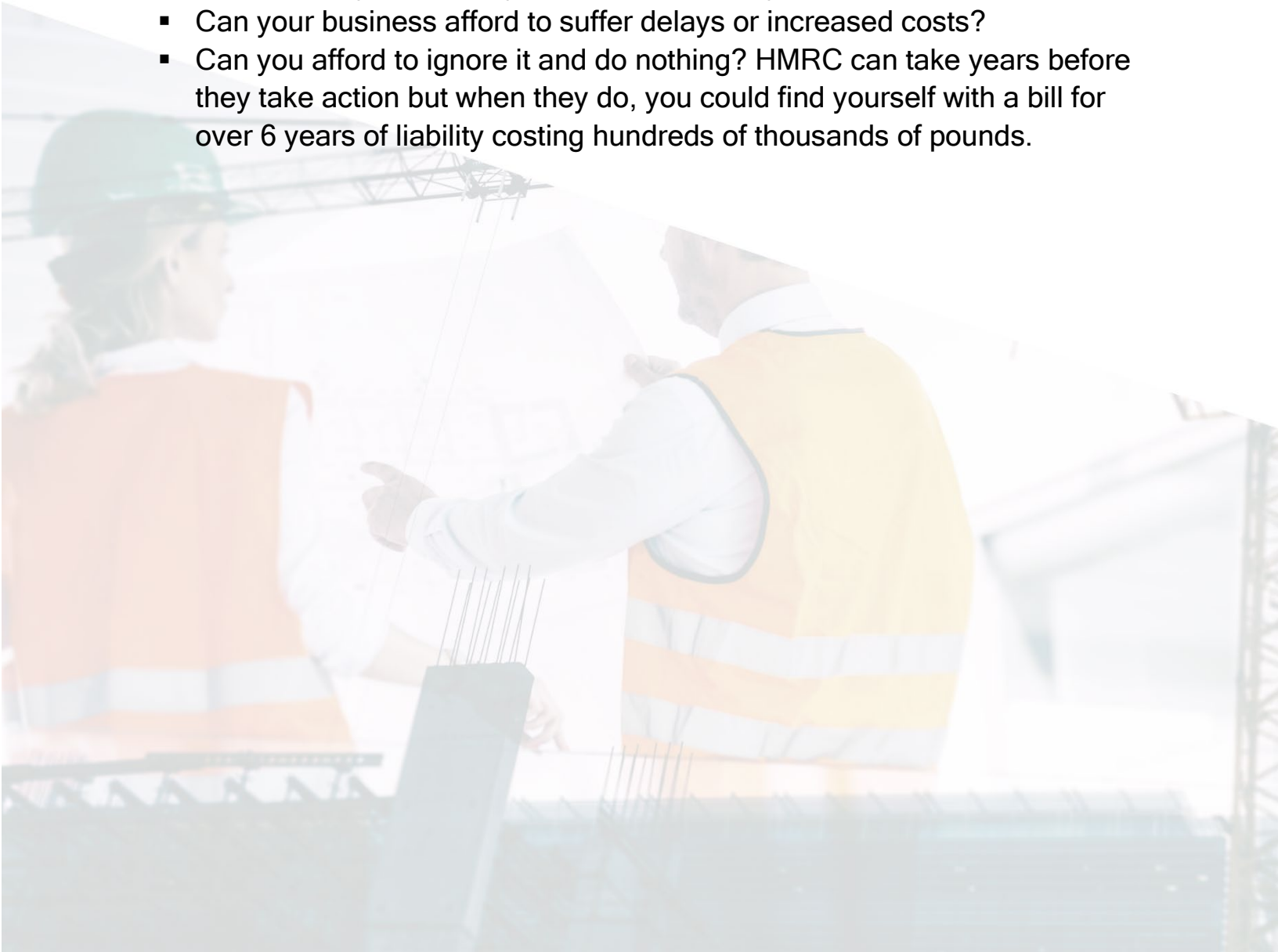
- HMRC is now making it the End Client’s responsibility to determine whether or not IR35 applies to the contractor.
- It is then the responsibility and liability of the Client to ensure that they have shared the result of the determination with the rest of the contract chain.
- Liability for Tax and National insurance deductions then fall to the party who pay the contractor directly, referred to as “The fee payer”. This could mean liability lies with you if your contractors are being paid directly.
- The fee payer will then need to make all of the relevant deductions should a contractor’s assignment be deemed “in-scope” of IR35.

How does this affect you?

If you don't start planning now, you and your business could find yourself in a very costly and difficult situation come April 2020.

Consider the following

- How are you going to assess your work force?
- How are you going to make the relevant deductions?
- What would you do if key personnel suddenly left?
- Can your business afford to suffer delays or increased costs?
- Can you afford to ignore it and do nothing? HMRC can take years before they take action but when they do, you could find yourself with a bill for over 6 years of liability costing hundreds of thousands of pounds.



What to do first

- Use a traffic light system to identify key contract personnel who are business critical - *Who can't you risk losing?*
- Partner with a compliant agency who can help you mitigate these risks
- Start discussing the options available to you
- Make a plan with your preferred agency

Using a blanket policy without due care could be costly

- Contractors might leave
- Skills shortage
- Pay increases
- Project delays
- Budget & Planning Implications

Watch Out For

- Avoidance schemes that sound too good to be true
- Agencies that are not consulting with you, they are likely unprepared and will increase your liability
- Limiting contractors to only use an Umbrella company can have other impacts such as AWR.

How can we help as a preferred Agency?

Gold Group have been in business since 2000 and have navigated many legislation changes. We've supported hundreds of clients and contractors with our expertise and continue to do so.

- ✓ We have the right compliance checks in place to help you assess your contractors
- ✓ We can communicate the determinations to other agencies in the chain on your behalf saving you time
- ✓ For clients that pay contractors directly, we can take on that liability and become the "fee payer" by being inserted into the contract chain.
- ✓ We can be the main point of contact for your contractors reducing the burden of admin
- ✓ We manage the negotiations with contractors due to our extensive market knowledge
- ✓ We can source you the best talent for your vacancies

If you are an existing client or would like to discuss how we can help then take action now, don't wait until April.