



## IR35 Off-Payroll Reform

September 2020

### Preparing for Change

### Deadline - 6 April 2021

As an end user or agency that engages with PSCs, there are a number of critical steps that you need to take to help you ensure compliance with the IR35 off payroll reform before the 6<sup>th</sup> April 2021.



**Identify** your contractor workforce, categorise based on necessity to the business, and understand who is likely to be engaged beyond 6<sup>th</sup> April 2021



**Assess** those contractors to determine who would be deemed to be employees under the status tests (Substitution, MoO, Control, Number of Paymasters, Financial Risk, Other Factors etc.)



**Engage** with key stakeholders, including legal, tax, finance, operations and HR to establish your “IR35 Compliance” plan and agree responsibilities and ownership areas



**Estimate** the additional costs to the business due to Employers’ NIC and Apprenticeship Levy charges arising under an ‘inside IR35’ determination, and consider potential changes in contractor and client rates



**Consider** whether tax fee protection insurance should be purchased to protect in the event of HMRC Enquiry



**Design** and implement new systems and processes for dealing with those contractors impacted by the changes and how they will be managed on an ongoing basis



**Train** relevant internal teams on the changes in systems and processes and ensure they are able to effectively determine the IR35 status of engagements



**Communicate** with contractors to ensure they understand the changes and fully aware of the decisions that are being made and how it impacts them



**Critical Assessment** and ongoing review of your systems and processes to ensure continued compliance with the legislation

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