



outsorce

IR35 Audit
Preparation Programme



Curating
specialist talent

Introducing our IR35 Audit and Consultancy Preparation Programme

Taxation changes are on the horizon, is your business prepared?

IR35 Private Sector reform could transform the way businesses are able to utilise workers supplying their services via their own Limited Companies.

Now that we have had confirmation that (IR35) tax changes are still going ahead in April 2021, you will need to ensure you understand how these rules could impact your ability to hire flexible workers.

In response to this push for legislative reform, we have developed a comprehensive Audit Preparation Programme to help business leaders best manage the impact of any IR35

rule changes, if/when they come into effect.

We can help you plan ahead

Our IR35 preparation programme is designed to help you understand the rules surrounding the shifts in compliance legislation, as well as provide you with practical guidance on how to correctly go about engaging with workers who genuinely do operate outside of IR35.

Additionally, we can also offer you advice on alternative solutions that are applicable in instances where IR35 does apply to a contract assignment.

Our tailor-made IR35 Audit & Consultancy service

We've developed a five-tiered Audit and Consultancy service that can be adapted to your unique business priorities.

Pick the level of guidance you need, and we will take care of everything else - from your initial audit to your future resource-planning strategies.

We can help you

- ✓ Understand what the potential legislation changes mean for you and your contingent hiring requirements
- ✓ Give support in identifying and assessing risk within your existing contingent population
- ✓ Provide practical guidance on engaging workers who may be 'inside' and 'outside' of the new IR35 rules
- ✓ Assist with advance resource planning strategies you can use in the interim period and after; when the new rules take effect.
- ✓ Offer you compliant, alternative solutions in instances where an assignment is caught by the IR35 rules

The impact of IR35 changes within the Public Sector

IR35 legislative changes in the Public Sector were introduced in April 2017.

This legislation reform meant that responsibility to conduct IR35 assessments shifted from the worker and their Limited Company to the recruitment agency and public sector end clients.

As the intermediary paying the worker, agencies like Outsource UK have had to take responsibility for deducting taxes and NI contributions should an 'inside IR35' assessment be made using a CEST (Check Employment Status for Tax) tool.

These legislative changes put the onus on the end client to tell an agency whether an assignment is 'inside' or 'outside' of IR35 jurisdiction.

From the government's perspective, the changes increased Tax and NI contributions collected at the source. This is because, previously, a high percentage of workers classified themselves as being 'outside IR35.' But, with the new legislation changes, many of these workers found themselves 'inside' of IR35.

What could happen next?

In March 2020, the Chancellor announced that the Off-payroll legislation change in the Private Sector will be delayed until April 2021. Clients and agencies will still need to take on the responsibility of assessing the IR35 status of each contract assignment, and to make tax and NI deductions if applicable.

At present, this legislation change will only apply to medium and large sized businesses – meaning that the rules for the 1.5m smallest UK businesses will not be affected.

28%

of public sector clients have had to increase day rates to contractors 'inside' of IR35

51%

of public sector bodies found IR35 rules changes hard to implement

32%

Of clients have had difficulty filling roles within the Public Sector

About our Head of Compliance Vicky Roythorne



Vicky has worked at Outsource UK since 2004. She was initially employed in our Recruitment and Account Management department, before moving into the Operations division of the business, where she specialised in Compliance. As an expert in contractor and contingent compliance, Vicky has spoken at industry events such as the Recruitment Expo exhibitions, as well as APSCO sector group meetings. Vicky has developed our IR35 Audit Preparation programme to help our clients ensure they are ready for IR35 private sector reform.

Follow her on Twitter to find out more!

About Outsource UK

We're proud to be one of the country's largest independent recruitment companies, supplying highly-skilled technology, change and engineering talent to clients within a range of specialist sectors. Our success is built on a uniquely-consultative approach, and we are

committed to working in partnership with our clients, our candidates and each other. We listen. We understand. We offer forward-thinking, efficient strategies and deliver tailor-made permanent, contract and interim recruitment solutions. *Above all, we enable the companies and organisations we work with to thrive.*