

IR35 CLIENT SOLUTIONS

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IR35 – IN SUMMARY

WHAT IS THE LAW NOW?

IR35 is the more familiar term for the Intermediaries Legislation. It is tax legislation brought in to tackle disguised employment and is HMRC's default 'test' for self-employment (for tax purposes only) when a contractor is working through their Personal Services Company (PSC).

The legislation is designed to distinguish between a genuine self-employed contractor working via their PSC, and those who work via their PSC but whose working practices would suggest they operate more like an employee (who the HMRC call a 'disguised employee' and deemed inside IR35).

In the case of a genuine self-employed contractor (deemed outside of IR35), they would usually receive gross payments for their services via their PSC. This allows them to pay some of their

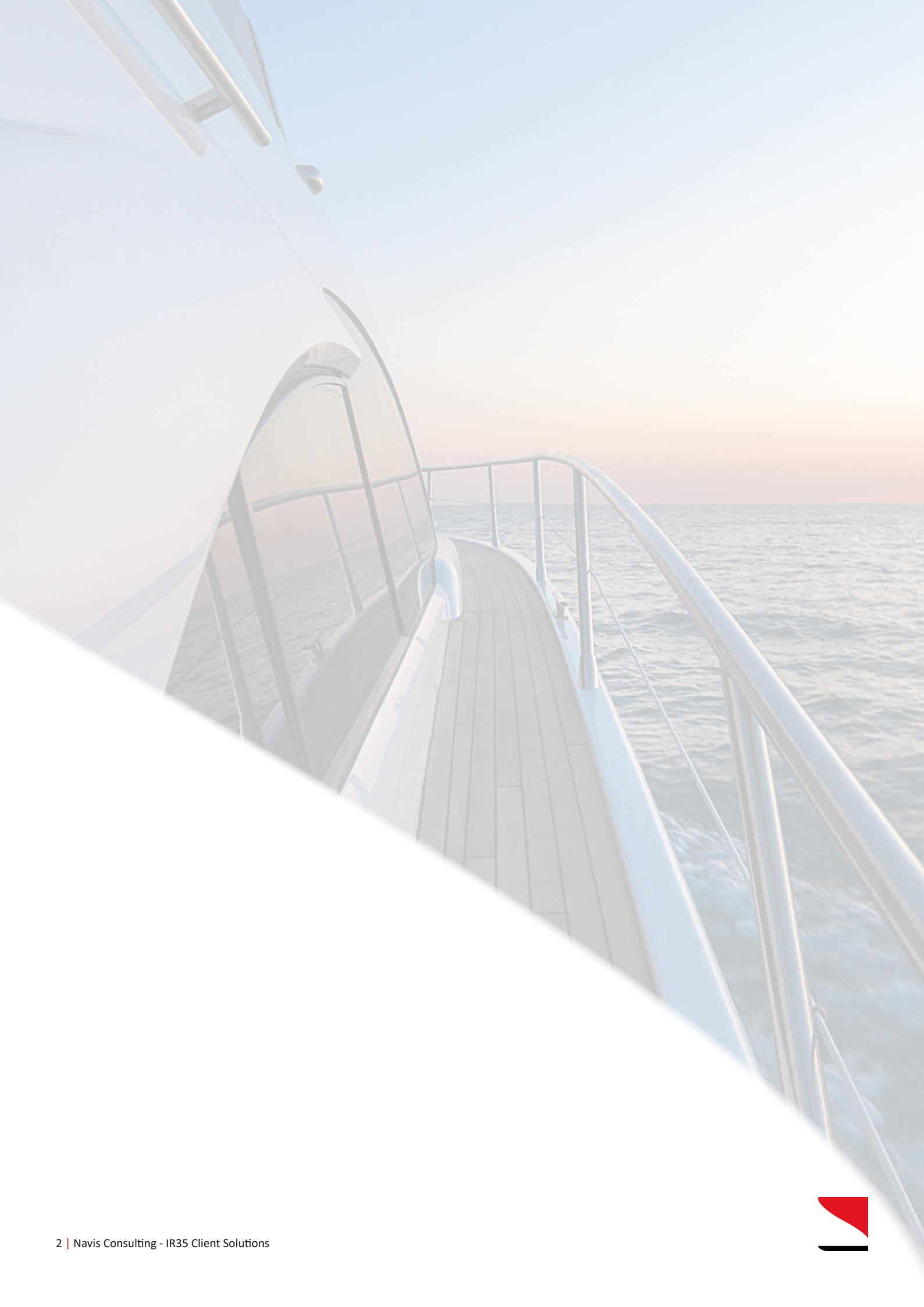
income in dividends which in turn creates a tax benefit. Working this way could also reduce their amount of National Insurance payable. This is in contrast with a 'disguised employee' who would be expected to pay broadly the same amount of tax and NI as an equivalent employee would.

One of the major concerns regarding IR35 is how complicated it is. Some roles are very distinctly either inside or outside of the rules but boundaries can be ambiguous. It can make assessing status difficult even for those who understand the legislation well.

WHAT CHANGES ARE COMING?

On the 6th April 2021, responsibility for assessing the role for the purpose of IR35 will pass to the end-client. They must then demonstrate 'reasonable care' in reaching their determination and share this to all parties in the supply chain. The fepayer will then be responsible/liable for applying the determination.





HOW NAVIS CAN HELP

GUIDING CLIENTS THROUGH CHANGE

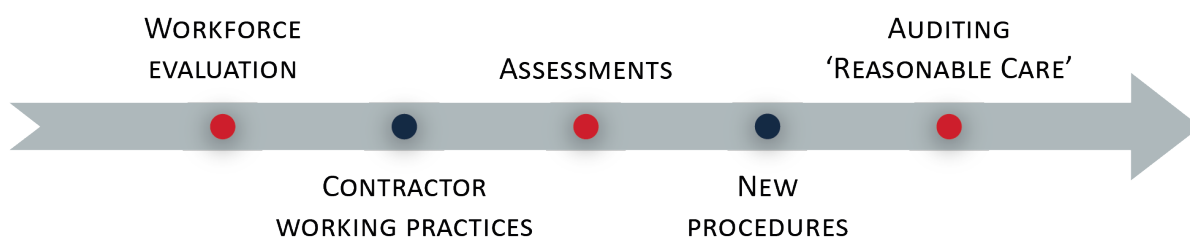
Navis, part of the STR Group, provides a range of solutions dependant on your specific need and the resources you have at your own disposal to manage a critical project of this nature.

Our IR35 specialists provide you with an advantage that other recruitment agencies do not; our team has managed projects ranging from a small handful of contractors right through to a private sector contractor workforce of 1,500. Our scopes have covered both direct and agency contractors.

This means we understand how important it is that you design and implement an IR35 strategy and procedures that are tailored to your business size, working practices and risk profile; all to mitigate the risk of an HMRC default and to ensure you remain competitive within your talent marketplace.

BESPOKE SOLUTIONS

Solutions provided by Navis include an evaluation of your current workforce, assessing current methods of contractor engagement, working with managers to assess working practices and IR35 status, helping to produce new engagement procedures if required, and establishing a robust auditing process. This is critical to demonstrating to HMRC that 'reasonable care' has been applied in all circumstances.



This range of solutions and methodology has been endorsed by external lawyers. Our IR35 specialists have lived and breathed IR35 over the last 3 years, both private and public sector, and understand how to deliver complex IR35 solutions in a very straightforward manner with least disruption to your business.





OUR SPECIALIST IR35 TEAM

Darren Day - Group Solutions Director

MBA qualified with 24 years' recruitment and managed service experience, Darren has been supporting clients with their IR35 strategy since the roll out of the Off-Payroll legislation into the public sector in 2017.

Since January 2019, Darren has been specifically consulting with STR private sector SME clients in England, Scotland and Northern Ireland. Working with clients engaging half a dozen up to 200 contractors, Darren can provide advice on evaluating their contractor workforce, conducting assessments, managing the risk of their direct contractors, and compliantly hiring new workers under the new legislation.



David James - Engineering Programme Director

With 20 years' recruitment experience, David has been supporting clients with their IR35 strategy since the roll out of the Off-Payroll legislation into the public sector in 2017 where he helped manage a 100-contractor project. David also supported private sector clients to prepare them for the change in legislation that was to be rolled out in 2020 but was delayed to 2021.

David was then employed by Worley Parsons in 2019 to become their IR35 Project Manager to design and implement an IR35 project for c.1500 contractors. This project was delivered successfully before the deferral in March 2020 and was ratified by an international law firm as being "one of the more comprehensive and robust that we have come across in the market to date".

David has a passion for quality and compliant delivery.



Emma Rees - Group Commercial Manager

With many years' experience within the recruitment sector, working at companies from SME to PLC, Emma brings with her a wealth of knowledge leading the Group's Legal & Compliance function.

From the Conduct Regulations, AWR and ITEPA, through to international engagements, maritime law and Gangmaster licencing, Emma understands the diverse legislative and compliance requirements of the recruitment sector and the increasingly regulated industry in which we work.

Leading the Group's reforms to IR35 in the public sector in 2017, she has been working closely with both clients and contractors in response to the impending reforms in the private sector, guiding them through the maze that is the Intermediaries Legislation and the wider impact of the proposed changes.



HOW NAVIS CAN HELP


TIME TO TAKE CONTROL

2020 has already provided more than enough work-changing events, and after the overnight deferral of IR35 in March, it is understandable that many companies have put IR35 on hold or pushed it well down the priority list.

However, with the government confirming that the changes to Off-Payroll will come into force from 6th April 2021, and with less chance of there being a 'soft landing' option this time around, businesses have a rapidly decreasing timescale to ensure their contractor workforce strategy and communication plan is in place to manage the changes with minimal business impact!

For any questions you have around IR35 or to discuss how Navis can support your IR35 strategy please contact us for an informal call or meeting (in person or virtual). We are happy to share our experiences and put you and your business on the front foot. What is more, implementing the right IR35 strategy for your business could be the difference between you winning or becoming a runner up in the 'War for Talent'.

Contact Darren on 02392 315076 or David on 07881 108700 to discuss your company's individual needs. Alternatively, email ir35@strgroup.co.uk and we will get back to you.



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