

Off-Payroll Working Rules IR35



HM Revenue
& Customs

Changes in the Private Sector from
April 2020

Off-Payroll Working Rules (IR35) Changes in the Private Sector from April 2020

1. Introduction and Background

The off-payroll working rules – commonly known as IR35 – were introduced in 2000 with the intention of ensuring that individuals who work like employees pay broadly the same level of income tax and National Insurance Contributions (NICs) as employees, regardless of the structure they work through.

The off-payroll rules apply in cases where:

- an individual (the worker)
- provides their services through an intermediary (another individual, a partnership, an unincorporated association or a company)
- to another person or entity (the client).

In April 2017, the UK Government addressed non-compliance in the public sector by reforming the legislation for off-payroll workers in that sector. The public sector reform:

- made public authorities responsible for deciding whether the worker would have been regarded as an employee if they were engaged directly for tax and NICs purposes;
- made the public authority or agency (the “Fee Payer”) that pays the worker’s limited or (the term that is used by HMRC) ‘personal service company’ (“PSC”) responsible for accounting for and paying income tax and NICs under PAYE to HMRC, on behalf of the worker.

Independent research has suggested that the reform in the public sector has been effective in increasing compliance without impacting labour market flexibility, and the Government is expecting the cost of non-compliance with the off-payroll working rules reaching £1.3 billion a year by 2023/24. Based on this, it was announced at Budget 2018 that, in order to increase compliance with the existing off-payroll working rules in the private sector, private medium and large businesses will become responsible for assessing the employment status of the off-payroll workers they engage. This will bring the private sector in line with the public sector: no new tax will be introduced.

Following a further consultation in Spring 2019, the Government has published its response to the submissions received, confirming the details of the reform and the obligations on different parties. It has also published draft legislation for the reform. However, the new rules, which are due to come into force with effect from 6 April 2020, yet have to be ratified.

2. Who is affected by the new IR35 Rules?

A. Clients

In order for the new rules to apply to a client, their company has to qualify as a medium or large business. As a consequence, "small" client businesses are not affected. In order to qualify as a small business, a client must meet 2 or more of the following requirements in any one year:

- Annual turnover Not more than £10.2 million
- Balance sheet total Not more than £5.1 million
- Number of employees Not more than 50

B. The Worker's Limited Companies/PSCs

The new rules only apply to Limited Companies/PSCs that are tax residents in the UK. Companies incorporated in the UK are automatically treated as resident for tax purposes in the UK. The exception to the incorporation rule is where a UK-incorporated company is regarded as resident in a territory outside the UK for the purposes of any double taxation treaty (tie-breaker clause). A company satisfying this condition is treated as resident outside the UK for the purposes of the Taxes Acts.

*Article 7 of the Double Taxation Agreement between the UK and Germany states that the profits of an enterprise shall be taxable **only in the state of incorporation** unless it carries on business in the other state through a **permanent establishment** situated therein. Whether a UK-incorporated company who is specialised in providing (IT) Services establishes a permanent residency in Germany (or the other way around) is not laid down in the tax treaty and depends on the respective country's case law. By way of an example, the German Financial Courts did not find a tax residency to be established when someone worked on client site for a duration of 7 months but did find the opposite after 2 years. One of the main criteria is whether the company has **access and control rights over the client premises**. Whether a service company is tax resident of the UK or another State will therefore have to be assessed on an individual basis.*

The implications of being UK tax resident are that the company concerned falls into the UK corporate tax net, i.e. the company's worldwide income and gains will be taxed in the UK. A foreign company can become tax resident in the UK if their central management and control is exercised from the UK, i.e. in cases where the directors are based in and exercise management and control from the UK.

Please note that that the new rules on IR35 do not apply to self-employed individuals!

At the time this paper has been published, the new legislation had not been entered into force

C. Agencies (such as Next Ventures)

Under the new rules, and in the case of an agency taking on the role of the Fee-Payer, once the (end-) client has complied with their assessment obligations (see below under 5.A.), all liabilities lie with the agency. In cases where the (end-) client is based outside of the UK, the assessment obligation moves down the contract chain and lies with the first party that is based in the UK, which is usually the agency.

IR35 therefore has a substantial impact on those companies that place contractors with their clients.

3. How are HMRC Reviews triggered?

Historically, many IR35 enquiries have originated from Employer Compliance Reviews ('ECR'), which is a routine inspection of a company's PAYE affairs.

With contractors, HMRC used to use them as a 'foot in the door' to pursue IR35 matters. The officers undertaking the initial review would often gather basic information about the worker's engagements and then pass it over to a specialist status inspector to deal with from there. Following the changes to the way IR35 is administered, HMRC are now more direct with letters informing contractors of an impending IR35 review (an enquiry by any other name), bypassing the ECR route.

At the start of each review, HMRC will ask 'Have you considered IR35? If so, why do you consider yourself to be outside of IR35? Please provide evidence to support this answer'. This evidence will include details of the contractor's previous engagements, the names of end clients and agencies, contract dates, and details of actual working practices.

If the evidence is unsatisfactory or HMRC feel they need to test it, they are likely to want to speak to the end-user themselves to get their view on how the contractor worked and was treated in reality. If this is unsupervised you could be leaving yourself exposed.

HMRC will also not be slow to use their statutory powers of enquiry to extract information should the need arise ¹.

How IR35 assessments will be carried out once the new legislation is in force is yet to be seen but HMRC is expected to follow the route of investigation described above.

4. What are the main Indicators for someone being Inside or Outside IR35?

When assessing whether a worker is considered to be inside or outside IR35, HMRC's focus lies on 4 main points:

Substitution | Control | Financial Risk | Part and Parcel

¹<https://www.contracteye.co.uk/hmrc-ir35-investigation-process.shtml>

1. Substitution

In order to fall outside of IR35, the worker must have a genuine (and not just contractual) right to substitute their services with someone else. Although the substitute does not have to be an employee of the worker's Limited Company/PSC, payment will still have to be made to the worker's company and not to a third party.

2. Control

In order to be considered outside of IR35, the following has to be established:

- Any change in 'task' throughout the contract would need to be arranged under a new contract;
- The client cannot provide input as to how the work is carried out (this would be the case where the worker is regularly advised and monitored by a manager or supervisor);
- The location where the worker carries out the work is determined by the worker themselves or the task itself, not the client;
- There should not be any determination by the (end-) client on working hours – the worker must be able to decide when he performs the services as long as he completes the agreed upon task.

3. Financial Risk

Self-employed workers found to be outside of IR35 are likely to be exposed to a higher level of financial risk than an employee would be. For example, contractors invest in their own business for things such as training, tools, and marketing. Contractors can also make a profit from sound business management i.e. finishing the services earlier than expected and making a profit on the fixed fee agreed.

Other examples for financial risk are:

- An obligation to correct faulty work free of charge;
- Holding business insurance;
- Incurring a significant amount of expenditure on training to provide themselves with a specialist skillset;
- Providing their own equipment.

4. Part and Parcel

This is where HMRC investigates to see if a worker has become so integrated into the (end-) client's own organisation that one could argue the worker is indeed 'part and parcel' and/or plays an integral part in the (end-) client's own business in contrast to being merely an accessory to it. A genuinely self-employed person should only be an accessory to their client's business, carrying on a business outside and separate from the (end-) clients' organisation.

The following table provides an overview of common examples in relation to the 'Part and Parcel' Test.

Part and Parcel +	Part and Parcel -
<p>If the worker is so integrated into the client's business that it can objectively be concluded that they look like an employee, the part and parcel test will be met and the worker be found to be inside IR35.</p>	<p>An independent contractor, to avoid failing this test, ought to make sure that they are working at 'arm's length' from the client, and should essentially avoid looking like an employee.</p>
<p>Examples:</p>	
<p>While on client site, the worker is provided with their own desk or a designated computer terminal at which to work.</p>	<p>While on client site, the worker works from a hot desk or alternatively a desk which is not assigned to him directly.</p>
<p>While working for the client, the worker is provided with stationary by the client.</p>	<p>The worker uses their own stationary while providing services to the client.</p>
<p>While providing services to the client, the worker is given the client's company uniform or company badge/logo.</p>	<p>The worker either works in clothes showing their own company logo or alternatively clothes which do not have any connection to the client.</p>
<p>The worker is given access to employee benefits or perks, such as eating in a subsidised canteen or using the client's subsidised gym.</p>	<p>Visitors' prices are paid when a worker uses client facilities.</p>
<p>The worker is provided with unrestricted access to the client's premises/has an employee's securities badge.</p>	<p>The worker only has restricted access (he only has a contractor badge or lanyard with their own business name) and is required to sign in each day.</p>
<p>The worker has the right to join the client company pension schemes and receives invitations to paid staff functions such as Christmas parties.</p>	<p>The worker has to make his own pension arrangements and should not be invited to an employee-only Christmas party.</p>
<p>The worker is making decisions regarding the client's own staff. This can involve line management duties and performing staff appraisals, or even making decisions on the hiring and firing of these staff members.</p>	<p>A client may ask for advice regarding staff matters, but ultimately staffing decisions are made by the client.</p>
<p>A worker appears in the client's own telephone directory, organisation chart, their website or uses their email address.</p>	<p>The worker uses their own email address. If they must use the client's email address for security reasons, the word 'contractor' or their own business name is used in the signature.</p>

Part and Parcel +	Part and Parcel -
The worker is provided with business cards with both the worker's name and client's business name.	The worker's business card clearly states his own company.
The client provides the worker with access to free training to gain the necessary skills for the assignment (on and offsite).	The worker pays for their own training, and if they must attend training while on client's premises, they do not charge for their time.
The worker has direct contact with the client's customers and acts like one of their own employees.	Direct involvement with the client's own customers is avoided. If a worker must be in direct contact, it is made clear that the worker is not an employee of the client.

Examples provided by HMRC:

Alan would be considered self-employed for this contract → Outside of IR35	Zainab would be considered an employee for this contract → Inside of IR35
Alan is taken on by a manufacturing firm to design and build a new website. Alan and the firm have agreed a price for the job and when he will deliver the new website. Alan will mainly work at home, using his own equipment to complete the task. Alan is free to work for other clients but faces a contractual penalty if he doesn't deliver the website on time, to the agreed standard. This represents a significant financial risk to Alan if he fails to deliver the final product as agreed.	The manufacturing firm needs someone to maintain and update the new website. It hires Zainab to work for three days a week, eight hours each day. The firm provides Zainab with a laptop so she can work at its offices or at home with permission. She reports to the head of the IT department and must follow their style guide and format to update the website. The firm is responsible for providing and updating the software Zainab needs to do her work. If Zainab has to work longer than her contracted hours, she will be paid overtime. Zainab can work elsewhere on the days she is not working at the firm, with their agreement.

When making an assessment of whether a worker is inside or outside of IR35, HMRC will mainly take into account the 4 points above. There is no clear indication that any single point has more weight so it should be assumed that they all bear equal weight.

5. Liabilities and Obligations under the new IR35 Rules

Whereas currently the responsibilities for determining the IR35 status of a contract lie with the worker's Limited Company/PCS, this will shift as of 6th April 2020. From that day onward, the private business clients will be responsible for determining the IR35 status of all their off-payroll workers, whilst the Fee Payers (i.e. the agency, such as Next Ventures) will carry the responsibility for deducting the relevant tax and NICs at source in cases where the worker is to be found inside IR35.

The responsibilities are divided as follows:

A. The Client's Obligations

UK-based (end-) clients must provide a `Status Determination Statement`, which states whether or not they believe IR35 applies, to both the worker and the next party in the contractual chain (which is usually Next Ventures). Further, the statement must be accompanied by underlying reasoning. The (end-) client must exercise reasonable care with regard to the assessment result and the process has to be completed before the worker starts to provide their services.

Until the statement, accompanied by the underlying reasons, is provided, the (end-) client will be treated as the Fee-Payer, taking on the IR35 liability and responsibility for deducting the appropriate taxes and NICs from the worker before paying them to HMRC. The (end-) client has the opportunity to provide a determination and/or the reasons for the determination each time a new payment to the worker is made.

B. The Fee-Payer's (NV's) Obligations

Upon receipt of a `Status Determination Statement` from the (end-) client which finds the worker to be inside IR35, the Fee-Payer will be required to deduct the appropriate taxes and NICs from the worker's fee before making payment.

At the same time, and unless the (end-) client has failed to adhere to their obligations, any liability shifts from the (end-) client to the Fee-Payer.

If the determination finds the worker to be inside IR35, the Fee-Payer will be treated as an employer for income tax, NICs and apprenticeship levy purposes. At or before the time that the Fee-Payer makes a payment to the worker's Limited Company/PSC, the Fee-Payer must complete the normal Real Time Information (RTI) process and notify HMRC of the amount of the taxable earnings and the tax and NICs deducted.

C. The Worker's Obligations

To enable the Fee-Payer to fulfil their responsibilities, the worker is required to inform the Fee-Payer of the nature of the structure they are working through. The worker must also provide the Fee-Payer with information to allow them to correctly account for Pay As You Earn ('PAYE').

6. Possible Impact of the new IR35 Rules on the Current Labour Market

As the new IR35 rules are not in force yet, any statement dealing with their impact on the current labour market can only be made either under the assumption that the private sector follows the public sector (making reference to studies based on the changes introduced in the public sector in 2017), or based on the recent reaction in industries where a substantial amount of off payroll workers are currently engaged.

A. Implications based on the Public Sector Reactions

Before the changes to the public sector came into force in 2017, there was a lot of fear around their impact on the current contractor market. The Guardian for example published an article with the title 'Tax changes could cost UK public sector workers 30% of salary'². The author concludes that 'agency workers supporting frontline government services lose up to 30% of their take-home pay' and that the changes in legislation could lead to 'many of these workers deserting the public sector in favour of private employment, where the changes will not apply'. It is safe to say that the IR35 reform lead to a lot of fear in the public sector.

B. Research following Changes in the Public Sector

One year after the new rules had come into force, IFF Research conducted research around the implications of the changes to IR35. The publication³ summarised the findings of a survey which involved 117 central bodies (covering 4,095 sites) and 100 individual sites in the public sector, all of which had recent engagement with off-payroll contractors, and qualitative follow-up interviews with 30 respondents whose responses indicated they had been affected by the reforms. Survey fieldwork took place between August and October 2017. Given that the off-payroll working reforms only came into effect in April 2017, the findings are focused on the bedding-in period immediately after the effective date, and so reflect public bodies' very early experiences.

In order to only cover the most relevant topics, the two main points are summarised below:

a) Filling Vacancies

The majority of public bodies reported that their ability to fill contractor vacancies had not changed since April 2017, but a significant minority reported that it had been more difficult to fill contractor vacancies. Some felt that there were fewer suitable contractors available in the marketplace – this seemed more pronounced among roles where there had been pre-existing challenges with recruitment; for example, doctors and social workers.

²<https://www.theguardian.com/society/2017/feb/27/tax-changes-uk-public-sector-workers-salary-exodus-nhs>

³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/704931/Off-Payroll_Reform_in_the_Public_Sector.pdf

At the time this paper has been published, the new legislation had not been entered into force

b) Contractor Rates

The majority of public bodies reported that the reforms had no effect on the gross hourly rates paid to off-payroll workers. A minority reported that the reforms had led to them increasing the gross hourly rates paid to off-payroll workers to cover reductions in take-home pay after contractors were assessed to be within the off-payroll working rules; typically, this was for roles where skills were in shorter supply (e.g. doctors and nurses). The changes in IR35 did not have a great effect on their business activities.

As an overall summary, the majority of the public bodies involved in the research confirmed that the changes in IR35 did not have a great effect on their business activities.

C. News around the Prospected Changes in the Private Sector

Different websites deal with the changes in the private sector and expected consequences.

*Thisismoney*⁴ describes the new laws as ‘a ticking time bomb for contractors’, expecting the changes to make life harder for contractors and freelancers who want to work as a limited company and resulting in additional tax charges of up to £9,000 per year.

*Itcontracting*⁵ takes a less ‘brutal’ stance and reminds their readers that that contracting industry has “survived an onslaught of legislation over the past two decades – many predicted the demise of the profession when IR35 was first mentioned in 1999, for example. This never happened.” However, it was noted that “unlike the public sector rollout, it seems likely that most private sector contractors will be impacted by the April 2020 changes, as many work for large clients, not small organisations.”

The *CIOT*⁶ has warned HMRC that “the abandonment of limited companies could create some very messy compliance issues”, particularly at the lower-paid end of the contract market where many workers have less choice over the business structure they operate under. As has been the case following the public sector roll out, individuals “could then find themselves encouraged into other dubious arrangements that help engagers protect their profitability.”

Likewise, the *FCSA*⁷ also strongly warns contractors against considering joining non-compliant tax avoidance schemes as an alternative to the limited company model.

As a summary, there are mixed messages around the potential consequences around the new IR35-legislation. This results from the fact that assessing the potential impact of the new rules is guesswork at this point in time.

⁴<https://www.thisismoney.co.uk/money/smallbusiness/article-7256775/Still-confused-IR35-tax-changes-impact-Heres-simple-guide.html>

⁵<https://www.itcontracting.com/april-2020-private-sector-ir35-changes-what-happens-now/>

⁶<https://www.tax.org.uk/media-centre/press-releases/litrg-press-release-ir35-small-business-exemption-welcome-what-about>

⁷<https://www.fcsa.org.uk/fcsa-reaction-to-the-chancellors-autumn-budget/>

D. Reactions from the Private (Banking) Industry

Banks such as Barclays, HSBC, Lloyds, Morgan Stanley and Tesco have recently announced that they will operate a blanket ban on contractors using their PSCs to avoid paying IR35 tax. "A letter sent to line managers at Barclays on 30 September set out plans to phase out the use of Limited Company contractors, meaning they won't have their contracts extended or renewed beyond February 2020.

The letter, sent to *Personnel Today*⁸, also states that new contractor engagements and extensions will have to operate on a PAYE basis from 1 January next year. "

The letter states: "Barclays has reviewed its third-party resourcing arrangements and has decided that it will no longer engage contractors who provide their services via a personal services company, Limited Company or other intermediary." Its' managed service providers will also be told to engage contractors "on a PAYE basis for new or renewed contracts".

Separately, a GSK contractor got in touch anonymously with contractor insurance specialist Larson Howie to suggest that "GSK will be going the exact same way [as Barclays]". In August this year, GSK sent "nudge letters" to around 1,500 of its contractors urging them to check their employment status using the government's Check Employment Status for Tax tool so they could prove they were genuinely self-employed.

A statement from GSK, however, suggests it is yet to make a formal announcement: "GlaxoSmithKline acknowledges the important contribution that contract workers provide," it said. "We have not yet made any final decisions regarding our future IR35 strategy. Any changes will be communicated internally first, in line with our values and expectations."

E. Conclusion

Although a lot of individuals and even big companies have already reacted with pessimism in relation to the upcoming changes in the IR35-legislation, based on our experience with the public sector, no such conclusion should be made just yet. Of course, the banks' reactions will have an impact on contractor business in the private sector, especially, on UK-based contractors. However, once the legislation is in force and the assessment, as well as HMRC's own processes, have been implemented and tested, these instant reactions may potentially seem unnecessary and be reverted.

A final conclusion of the impact of the off-payroll reform can only be reached once a certain amount of time has passed after the effective date of 6 April 2020.

⁸<https://www.personneltoday.com/hr/barclays-and-others-urge-contractors-to-go-payee/>

Frequently asked questions and answers:

Q: Do the new IR35-rules apply if the (end-) client is not based in the UK/the services are carried out outside of the UK?

A: The rules still apply if the worker's Limited Company/PSC is tax-resident in the UK. However, the responsibility to carry out the assessment flows down the contractual chain. If the Fee-Payer is based in the UK, the assessment has to be carried out by the Fee-Payer themselves. All responsibilities therefore lie with that company.

Q: Is there any chance the reform will have a retrospective effect, i.e. apply to any engagements before 6 April 2020?

A: HMRC has stated in a recently published paper that the agency "will focus on ensuring businesses will comply with the reform for new engagements, rather than on historic cases". It was also confirmed that "HMRC will not carry out targeted campaigns into previous years when individuals start paying employment taxes under IR35 for the first time. Organisations' decisions about whether workers are within the rules will not automatically trigger an enquiry into earlier years".

Q: What happens if the worker disagrees with the determination?

A: They have to provide the assessor with written reasons, including details of

- the employment status determination they disagree with; and
- their reasoning for such disagreement.

The assessor will then have 45 days from receipt of the worker's disagreement to respond. During that time, the assessor should continue to apply the rules in line with their original determination. Whether or not the employment status determination has changed following the worker's appeal, the assessor has to inform the worker of the outcome.

Q: What if the assessor does not comply with their obligations above?

A: They will become the Fee-Payer, which means that the IR35 liabilities and responsibilities will shift (back) to them.

Q: Why has Next Ventures decided against using HMRC's own assessment tool, CEST?

A: As the CEST assessment tool was created by HMRC, it can be assumed that the outcome may be slightly biased towards an individual being found to be inside IR35, as this is in HMRC's interest. We have therefore decided to use a third-party assessment tool which does not have any affiliation to HMRC. The outcome can therefore be expected to be more objective.

Q: Who is liable if HMRC does not receive the tax due/is not able to collect any tax & NICs due?

A: The Government has proposed that the liability will initially rest with the party that has failed to fulfil their obligations. This means that liability would move down the labour supply chain until the respective obligations are met.

Examples: If an agency in the chain fails to send-on the determination, that agency would be liable for any tax and NICs due. Similarly, if the Fee-Payer, having received the determination, fails to make deductions from any payments made to the worker's company, then it will become liable.

If HMRC is not able to collect the outstanding liability from that party (e.g. because the party ceases to exist), the Government proposes that the liability should transfer back to the first party or agency in the chain. Where HMRC is not able to collect from the first party or agency, it would ultimately seek payment from the client.

Q: Are there any employment law implications when a worker is found to be inside IR35 and the Fee-Payer is treated as their employer for tax and NICs purposes?

A: No, statutory payments or other employment rights will not be affected. This means that the deemed employment relationship does not result in rights or statutory payment obligations for the deemed employer or Fee-Payer.

WHAT HAS NEXT VENTURES DONE TO ENSURE COMPLIANCE WITH THE NEW IR35 RULES?

A. CONTRACTUALLY

1. Candidate Contract

Our standard candidate contract is drafted in line with the new changes and contains clauses with the following content:

- The worker has the status of an independent contract and no employment or agency relationship is created between Next Ventures and the worker;
- Neither Next Ventures nor the (end-) client are entitled to seek or exercise supervision, direction or control over the worker, do anything that integrates them into the client business or treat the worker in any way which is similar to how they treat their own employees;
- No mutuality of obligations is created between Next Ventures and the worker (no duty to offer or to accept work);
- Payment is only made for time worked;
- The worker is not restricted from providing services to a third party;
- The worker has the right to provide a suitably skilled substitute, who will be paid by the worker's Limited Company/PSC;
- The worker must provide their own tools, materials and equipment;
- The worker is liable for any losses caused for 12 months following termination of agreement.

2. Client Contract

Our standard client contract is drafted in line with the new changes and contains clauses with the following content:

- The "Consultant" (person providing the services) is clearly defined as a legal entity or an independent contractor;
- Each statement of work includes an exact and comprehensive description of the services to be provided;
- The client is obliged to cooperate with the Consultant in allowing them to choose their own individuals to provide the services and allow them to provide substitutes if so required, as well as to choose their own schedule, methods and equipment;
- The client acknowledges that the Consultant is an independent contractor engaged by Next Ventures under a contract for services;
- The client is prohibited from treating the Consultant in any way that undermines his determination as an independent contractor by, for example, exercising control, integrating them into their business or treating them similar to how the client treats their own employees;
- Payment is only made for time worked and authorised;

B. PRACTICALLY

After a few months of research and evaluating different options on the market (including HMRC's own assessment tool 'CEST'), Next Ventures has decided to partner up with Qdos to comply with our status assessment obligations and provide our (end-) clients with an informed choice.

We have made this choice for the following reasons:

Qdos has developed an Assessment Tool ('Status Review') - an online portal that combines case-by-case assessments with a management system, providing a full IR35 compliance service with expert IR35 assessments, a management tool and tax liability insurance cover (£100k cover per enquiry for professional service fees in the defence of a status enquiry/£100k cover for tax & NICs liabilities, interest and penalties if the workers is found to be inside IR35);

- The 'Status Review' tool contains 42 questions that are accessible and understandable for contractors without IR35 knowledge, and examples are provided on many questions;
- All questions also include a free-text field to enable the worker to provide further context and explanations should they be needed;
- Assessments are reviewed by an experienced IR35 consultant instead of the outcome being based on artificial intelligence patterns;
- Assessments are completed within 3 days of submission.

The Assessment Process starts with the worker, who has to answer all questions in the tool. After the review has been carried out, the (end-) client is emailed a report and invited to accept or decline the assessment. A final Status Determination Statement is issued once the (end-) client is in agreement with the facts, and is sent to the parties in the chain.

Reassessments can be completed on a quarterly or bi-annual basis and are less extensive than the original assessment, assuming that the circumstances remain unchanged and previous answers provided remain accurate. A reminder is sent out 21 days before the reassessment due date.

The costs for the workers are as follows:

- Individual assessments: £89 + VAT
- Quarterly Reassessments: £49 + VAT
- Bi-Annual Reassessments: £70 + VAT

The insurance premium is included in the assessment fees.

NEXT VENTURE'S TIMELINE UNTIL THE NEW IR35-RULES COME INTO FORCE

1. Identify and review the current engagements with clients based in the UK and establish whether they meet the medium/large company threshold;
2. Identify and review current engagements with contractors working through a UK Limited Company, using data contained in current contracts, existing information about the current roles and engagements which are expected to continue post April 2020 as well as information provided by contractors in response to a questionnaire to be sent out;
3. Identify and assess responsibilities and liabilities in accordance with the determinations made;
4. Put in place comprehensive, joined-up processes to get consistent decisions about the employment status of the contractors we engage;
5. Send out communications to clients and contractors to inform them about the implemented processes and their roles in these;
6. Carry out initial assessments for all contractors whose engagements are due to continue post April 2020.