



## IR35 Private Sector Reform



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## — Introductions



- ✓ Andrew Webster, Founder and Director, Workr Compliance

**TATA TECHNOLOGIES**



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## — Agenda

- ✓ **Market Observations**
  - HMRC
  - Engager
- ✓ **What should Engagers & Fee Payers be doing with 42 working days to go?**
- ✓ **WORKR Compliance**
  - Methodology



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## — Market observations

- ✓ Off Payroll IR35 Private Sector Reform was deferred 1 year  
Legislation will apply 6<sup>th</sup> April 2021  
**42** working days
- ✓ **HMRC Focus**
  - **ESM 10014: off-payroll working legislation: Chapter 10, ITEPA 2003 (from 6 April 2021): basic principles: reasonable care:**
    - Make an IR35 decision
    - Take reasonable care in making it
    - Communicate the decision via an 'Status Determination Statement' and giving the reasons to the relevant parties and
    - Create a client lead disagreement process
  - **ESM 10010: off-payroll working legislation: Chapter 10, ITEPA 2003 (from 6 April 2021): basic principles: contracted-out services**
  - **ESM 10031: off-payroll working legislation: Chapter 10, ITEPA 2003 (from 6 April 2021): basic principles: recovery from other persons – how it will be applied**



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# — Market Observations

## ✓ Private Sector – Engager preparations

Some Engager's are unprepared

- Not started
- Started but no where near finished
- Not aware of the legislative change
- Holding out for a second delay!
- Have not reached out to Fee Payer supply chain
- Uncertainty at a contractor level

## ✓ Some Engagers are prepared

- Chosen methodology and delivery / project team
- Focus on issuing 'Status Determination Statement' to PSC
- Understand how to meet 'Reasonable Care'
- Involving Fee Payer supply chain
- Improved certainty at a contractor level

## ✓ IR35 Tax Investigation and Loss products

- Choice of policies in the market
- Vary in terms of 'Policy Holder' – director of the PSC?!
- Standard vs Bespoke policy to manage tax risk



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# — What should Engagers & Fee Payers be doing with 42 working days to go?

✓ As a minimum.....

- Aware of the legislative changes
- Understand 'Reasonable Care'
- Created an internal project team to scope and deliver the project
- Engage with your 'Fee Payer' supply chain and review it.
- Chosen methodology agreed and implemented
- Sought external third party and impartial technical support
- Risk profile of impact to operational delivery



✓ As an ideal.....

- All the above and
- Issuing 'Status Determination Statements'
- List of 'in scope' and 'out of scope' roles ready to share with Fee Payer supply chain
- Processes prepared to manage 'appeals' and final outcomes
- Considered 'other' pay options to retain talent
- Preparing and testing 'IR35 BAU' processes for compliance purposes
- Engaging with 'Fee Payer' supply chain to confirm plans for indemnifying risk



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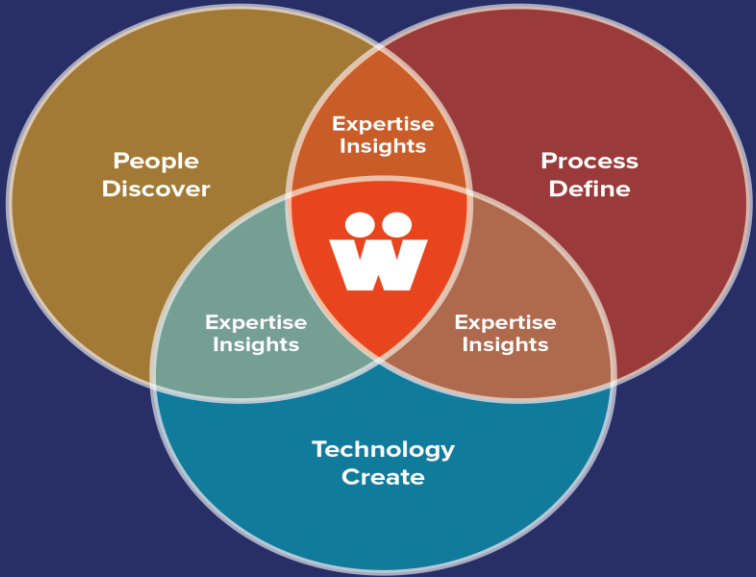
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# Methodology

## Collaborative Assessments



**HR / Legal**  
Answers contractual based questions



**Contract Details**

}  
**Pre-Assured Contracts**

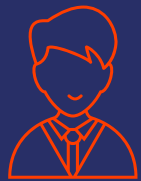


**Project Manager**  
Answers working condition questions



**Working conditions**

}  
**Indictment Assessment**



**Contractor**  
Answers professional detail questions



**Contractor details**

}  
**Full Assessment**

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— Thankyou

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