

We are pleased to announce that we can now offer contractors the Bauer and Cottrell Contract Guardian and Guardian Plus service. Both these products come with FREE Professional Membership and cost exactly the same as going direct to Bauer and Cottrell.

Useful Links

www.hmrc.gov.uk

www.icaew.co.uk

www.lawsociety.org.uk

www.shout99.com

IR35 Status Reviews

There is clear evidence emerging that, following the introduction of the reasonable care penalties earlier this year, many more contractors are seeking professional guidance on their IR35 status.

Where professional guidance is sought you must ensure that the review covers both the contract and the working arrangements, without both of these key elements you are unlikely to meet the requirements of reasonable care and could become exposed to penalties if HMRC were able to successfully challenge your status.

Where penalties are applied this now allows HMRC, following the announcement in the Budget, to impose both tighter checking on individuals and companies; as well as the ability to produce a list of named individuals and companies where the the additional taxes exceed £25,000. This new development could significantly impact on the ability of those named individuals to obtain future work, as it could very easily become a black list used by clients.

We have been working closely with Bauer and Cottrell, the Professional Passport approved contract review firm, to ensure we are able to provide our members with a robust assessment of status, that also meets the obligations of reasonable care.

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Full details are available on the website.

Manage Your Status Online

Many contractors working through their own limited companies opt out of the Agency Regulations.

It is a widely held belief that opting out of the regulations can assist in the overall demonstration of IR35 status. Whilst there is no case law that directly supports this fact, should a contractor remain within the regulations they effectively confirm that they are under the control of the end client; a key determining factor of IR35.

The regulations also require agencies to confirm identity, right to work status, qualifications and references before introduction or supply. Where a contractor opts out, these requirements fall away.

There are some key facts that contractors need to be aware of to ensure that where they opt out, the opt out process is completed correctly; where this is not the case, they will be considered as remaining within the regulations. In our experience many agencies' opt out processes fall short of the requirements and many contractors could unwittingly remain within the regulations.

We have developed an online opt out notification for our members that has been signed off as compliant and meeting the requirements of the regulations. This allows our members to take control and ensure their opt out meets the requirements. The service is available through your Professional Passport folder and is completely **FREE** to all members, including sponsored.

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When you complete the opt outs; one for your company and one for you personally, these will be emailed directly to your agency with a copy held in your documents wallet for future reference.

This allows you to ensure that your opt outs are valid and comply with the requirements of the regulations.

Regulation Key Facts:

You are automatically within the regulations unless you opt out.

If you do want to opt out, this must be done **BEFORE** the commencement of your assignment. The rules are quite specific here; they prevent any contractor from changing their status during an assignment.

Therefore, if your opt out notice is dated after the start date of the assignment, the law considers you as within the regulations for that assignment and your opt out notice would only take effect from your next assignment.

Where a contractor operates through their own limited company the status of both the company and the individual has to be confirmed. This requires you to complete two opt outs; one for the company and one for yourself.

You must complete an opt out notice for every agency you deal with or you could find that some assignments are within the regulations.

Once you have opted out with an agency, and where you continue to take assignments from that agency, you are not required to complete opt out notices for each assignment.

You can notify an agency of your intention to change your status at any time, although the change will not take effect until the commencement of a new assignment. The regulations specifically prevent you from changing status during an assignment.

In the case of contractors working through an umbrella; the umbrella will be opted out and they manage the opt out of the individual employees, either through their contract, assignment schedule or requiring completion of an opt out notice. An agency may still request you confirm your status directly with them and our service allows you to do this.

There are certain occupations that are prevented from opting out, you will find these details in the Opt Out **FAQ's**. These restrictions will not apply to the vast majority of contractors.

By providing this new service contractors are now able to take control of their status and ensure they meet the regulatory requirements and so further protect their position.

Validation FAQ's

Following the launch of our validation services we have received a number of questions from our members. For your convenience we have created a series of **FAQ's**. We hope you find these useful and please feel free to contact us if you have any other questions. We will review and update the FAQ's based on the feedback we receive.