

OFF-PAYROLL WORKING

*THE ALL YOU NEED TO
KNOW SEMINAR*

**FOR RECRUITERS AND
END CLIENTS**

**HILTON DEANS GATE
MANCHESTER
23RD SEPTEMBER**

**THE KINGS FUND
LONDON
7TH OCTOBER**

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SPACE IS LIMITED SO
BOOK EARLY TO
GUARANTEE YOUR PLACE.**

Off-Payroll Working Draft Legislation released

As we are sure you are all probably fully aware the draft legislation for Off-Payroll Working in the Private Sector has been released. This is very much in line with what we were expecting and have been advising on.

Whilst it is open for comments before being added to The Finance Bill 2019 we do not anticipate any significant changes.

There are some key points of note in this updated legislation when compared to the Public Sector version:

- It is happening in April 2020.
- Clients have an obligation to provide the determination, and the reasons behind this, to the supply chain and the worker - later in the article we highlight issues that could arise from this requirement.
- Clients must take reasonable care in carrying out their assessments.
- There is a dispute resolution process between worker and client. If a client fails in their duty of reasonable care or fails to handle disputes correctly then the worker could make their own assessment and if HMRC disagreed the end client holds the liability.
- Non compliance in the supply chain will result in either the first agency or end client becoming liable for any

unpaid taxes.

- The small company exemption has been confirmed.

What is clear is that clients must make accurate assessments of status to avoid challenges and potential liabilities.

Deciding on the assignment status

Many clients we have spoken to are feeling exposed due to the lack of knowledge they have of IR35. The risk of liabilities seems to be pushing some to make 'safe' determinations which may not be so safe if challenged by contractors.

Clients generally are desperately seeking a way they can be supported in complying with the requirements of not only providing the status outcome but more importantly the reasons behind this.

Professional Passport has been working closely with Contractor Calculator to develop their IR35 Shield product for recruiters and clients.

There are some significant development roll outs due in the next month that will provide a simple structured process for clients to follow and meet all their obligations.

Professional Passport will be running joint training workshops for recruiters and end clients on this. One will be in Manchester and one in London aimed at the end of September and beginning of October.

Supply chain compliance

The legislation, and supporting notes and guidance, make it clear that the onus is on the end client to ensure compliance throughout their supply chain to avoid the risk of liabilities.

We are already seeking many large recruitment companies and MSP's, as well as Framework agreements, moving to contractual obligations, often at the insistence of the clients, to use accredited providers.

We are also working with many end clients on a current supply chain audit where weaknesses can be identified and addressed before the new rules come in to effect.

Supply Chain Transparency

New NINo Checker

We are in the final stages of testing our new compliant supply chain verification tool - NINo Checker.

Registered agencies, MSP's and end clients will then be able to carry out searches on National Insurance Numbers for their active workers and immediately have it confirmed that they are an active employee with a Professional Passport approved provider, we will not be releasing the name of the provider.

The result of the search falls in to 3 categories:

1. We can verify they are currently employed with an approved provider.
2. We can verify they have been employed with an approved provider within the last 7 days.
3. We have no record.

Obviously where a search returns - no record - the agency or client are then able to make more detailed enquiries on this worker.

Workers Operating Structure

Risk Profile Audit

End clients rarely understand the operating structure that a contractor selects as the invoices from their recruitment partners generally show a contractors name, hours, rate and an amount.

Knowing how contractors are structuring their affairs is a key part in assessing and understanding how the Off-Payroll Rules will impact.

We have produced a review that clients can supply to their recruitment partners that ensures you receive all the required information. Once received we will be able to work with you to assess any risks and cost implications.

Once completed and matched with your assignments status you will have the most complete picture and understand fully the impact that the Off-Payroll Working rules will have.

You are then able to make decisions and start to communicate with your recruitment partners and contractors.