



IR35 Client Engagement Plan



**Creating a
4 Stage Plan
to Support
IR35 Legislation**



IR35 Client Engagement Plan

The incoming legislation extension has the potential to be the largest disruption to trading conditions in recent years, Jones Howard Employment Limited believe that offering advice, support and creating an easy to follow process will be the key to enabling your business to both endure and succeed in a compliant manner prior to the legislation's introduction in April 2021.

Introduction:

Having presented extensively to, and worked closely with, the NHS and national vendor recruitment businesses over the previous reforms and implementations of IR35 within the public sector when they were introduced in April 2017, Jones Howard Employment Limited is ideally positioned to offer both agencies and contractors compliant advice and practical support.

The legislation extension for Off-Payroll Working in the Private Sector comes into effect for payments made to contractor's personal service companies (PSC's) from April 2021. There are some significant changes that must be understood to ensure compliance with the new rules:

- / The rules shift the responsibility of assessing a contractor's IR35 status away from the contractor and on to the end client. The client is obliged to ensure that they take "reasonable care" in making the employment status assessment, in addition to considering each assignment individually and avoiding any sense of "blanket assessments".
- / Once an assessment has been made the legislation requires the outcome to be communicated throughout the supply chain, as well as directly to the contractor. If the end client fails to do this, they risk incurring significant penalties as any unpaid tax liability can be reverted back to them.
- / Where an assessment has not been carried out in accordance with the legislative requirements, it allows for potential challenges and the potential for any unpaid tax liability to revert back to the end client.
- / Where the supply chain fails to operate in line with the end client's instruction regarding any given status decision, then the liability can again be passed back up the supply chain.

What Is Clear:

- / HMRC are ensuring that whatever happens within the supply chain, they have the power to recover monies from any entity engaged in the assignment process. With the end clients often being the largest company in the supply chain, this means that all liability will, in most cases, revert back to the client.

Accurately assessing the assignment status is the first critical element of the process. Failure to conduct and complete a compliant assignment status test is likely to result in the liability being passed up the supply chain.

Ensuring that the supply chain entities operate compliantly is the second critical element of the process as, once again, failure in this area is likely to result in liability being passed up the supply chain.

Benefits and Insurances:



Professional Passport Insured

Jones Howard Employment Limited's commercial activities are extensively insured (up to a value of £5million) via a policy operated by Professional Passport. This ensures agencies are protecting against future liabilities or any risk of debt transfer.



IR35 Shield

Jones Howard Employment Limited uses the IR35 Shield assessment software to provide fully compliant Status Determinations for contractors as described below:

About IR35 Shield:



IR35 Shield, the online IR35 assessment solution, has been developed by the nation's leading authority on contracting, ContractorCalculator, as champions of the freelance market since 1999.

Developed and fine-tuned over the last ten years, our assessment tool has delivered over 100,000 status evaluations to date. Our solution is infinitely scalable, insurance-backed, and can service the needs of the estimated half-a-million private sector contractors, all of whom require IR35 assessments by April 2021.

Combining two decades worth of experience leading commercial software development projects with 20 years' knowledge of IR35 and employment status case law, our team of developers have designed IR35 Shield to service the immediate and ongoing assessment needs of the entire contracting market.

By the end of this stage, you will finalise the engagement styles you will use, plus your legal and compliance policies in addition to your budgets and rates applied to your roles based on the assignment status.

Jones Howard's **4** Stage Plan

1 IDENTIFY

Within stage one, we will collate all relevant assignment data and identify any roles and contractors that will be affected by the changes.

By the end of this stage, you will understand the operating structures used by your current contractors and the Off-Payroll status of each of their roles.

2 ANALYSE

Understanding the issues across your contractor workforce.

By the end of this stage you would have identified any potential risks in your current supply chain and the financial implications resulting from your Off-Payroll Assessments.

3 PLAN

Understanding all your options and deciding the most appropriate outcomes for your professional and commercial circumstances.

By the end of this stage, you will finalise the engagement styles you will use, plus your legal and compliance policies in addition to your budgets and rates applied to your roles based on the assignment status.

4 IMPLEMENT

Now you have devised and created the plan, it is time to implement these actions into your business.

By the end of this stage, the individuals responsible for implementing the plan will be clear as to what they have to do and by when. You will also have compliant processes for ongoing monitoring.

Commercial Benefits of Choosing Jones Howard

There are vast cost implications associated with assessing large numbers of contractors, and with directors now personally liable for ensuring that due care is made undertaking the assessments, choosing a compliant and reliable payroll partner is essential.

Jones Howard Employment Limited has the necessary infrastructure to take responsibility for any potential liabilities in addition to funding the costs of the initial assessments. We also offer a complimentary consultancy service within our outsourced payroll provision to ensure that you always receive the best advice and guidance.

We are committed to adding genuine value to your business activities and helping you successfully implement strategies to comply with the new legislation.

For any further information, please do not hesitate to contact:

Kyle Cowell – Senior Business Development Manager

Kyle@joneshoward.co.uk

Iain St-John – CEO

ISJ@joneshoward.co.uk