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OFF-PAYROLL WORKING RULES COMPLIANCE

STANLEY GROUP
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Off-Payroll Working Rules Compliance Policy

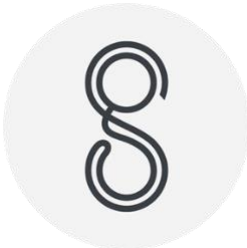


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Introduction

The UK's Off Payroll Working Rules, also known as "IR35" legislation, is designed to tackle the issue of disguised employment, where a worker is effectively an employee but works through an intermediary such as a limited company or personal service company (PSC). The legislation has significant implications for businesses and workers alike, and it is essential that organisations take steps to mitigate their IR35 risks.

This policy sets out our approach to IR35 compliance and risk management. It covers our obligations as an organisation and outlines the steps we will take to ensure that our relationships with contractors and other service providers are IR35 compliant.

Policy Statement

We are committed to ensuring that all of our business relationships, including those with contractors and other service providers, comply with the requirements of IR35 legislation. We recognise that failure to comply with these requirements could result in significant financial and reputational damage to our organisation. As such, we have implemented a range of measures designed to mitigate our IR35 risks.

Assessing IR35 Status

We will undertake an initial assessment of the IR35 status of any contractor or other service provider we engage with. This assessment will consider the nature of the services being provided, the terms of the engagement, and the working arrangements between the parties.

We will use the HMRC's Check Employment Status for Tax (CEST) tool as part of our assessment process. In parallel, we will engage with QDOS IR35 Working Arrangements to conduct an independent (commercial service-based) assessment. While the HMRC CEST and QDOS IR35 Assessment tools are not definitive, they provide a useful starting point for determining whether a worker is inside or outside of IR35.

Where we determine that a worker is likely to be inside IR35, we will undertake a more detailed assessment of their working arrangements to determine the precise nature of the engagement and any additional measures that may be required to ensure compliance.

- Determine the nature of the services being provided and ensure they fall outside the scope of IR35 legislation.
- Identify the worker's status, whether they are self-employed, working through a personal service company or other intermediary, or employed by a third party.
- Ensure that the contract reflects the nature of the engagement and is consistent with the worker's status.
- Ensure that the contractual terms are unambiguous and do not contain any provisions that could be construed as indicating employment status.
- Clarify the scope of the services to be provided, including the expected deliverables and any specific targets or deadlines.
- Ensure that the worker is free to provide services to other clients and is not exclusively contracted to our organisation.
- Ensure that the worker is responsible for their own tax and National Insurance contributions.
- Clarify payment terms, including the rate of pay, invoicing procedures, and payment timelines.
- Ensure that the worker is not subject to the same level of control and supervision as an employee of our organisation.
- Monitor the engagement on an ongoing basis to ensure that it remains outside the scope of IR35 legislation and that the worker's status has not changed.

Contractual Terms

We will ensure that all of our contracts with contractors and other service providers contain clear and unambiguous terms that reflect the nature of the engagement and the working arrangements between the parties. We will seek to ensure that these terms are consistent with the IR35 status of the worker.

Where we engage workers through intermediaries such as PSCs, we will ensure that the contractual terms are consistent with the requirements of IR35 legislation. We will seek to ensure that the contract contains provisions that make it clear that the worker is not an employee of our organisation.

Working Arrangements

We will ensure that the working arrangements between our organisation, contractors, and other service providers are consistent with the IR35 status of the worker. This will include taking steps to ensure that the worker is not subject to the same level of control and supervision as an employee of our organisation.

We will seek to ensure that the working arrangements are consistent with the contractual terms agreed between the parties. Where necessary, we will make changes to the working arrangements to ensure that they are consistent with the IR35 status of the worker.

Training and Awareness

We will provide training and awareness-raising activities for our staff and contractors to ensure that they understand the requirements of IR35 legislation and the implications for their working arrangements. This will include training on the use of the CEST tool and guidance on ensuring that working arrangements are consistent with the IR35 status of the worker.

We will also provide guidance to contractors and other service providers on their obligations under IR35 legislation, including their responsibilities for paying tax and National Insurance contributions.

As part of our commitment to mitigating IR35 risks, we will arrange appropriate insurance cover to provide protection against any potential litigation related to IR35. This will give us peace of mind and ensure that we are well-prepared in the event of any legal challenges.

Our insurance policy will cover legal costs and expenses associated with any litigation or investigations related to IR35, including the cost of engaging legal professionals to represent us in court or during negotiations with HMRC.

The policy will also provide coverage for any potential tax liabilities resulting from an IR35 investigation, ensuring that any adverse findings do not financially impact us.

We will work with our insurance provider to ensure that our policy is tailored to meet our specific needs and provides adequate protection against IR35 risks. This will include reviewing the policy regularly to ensure that it remains up-to-date and relevant in light of any changes to IR35 legislation or our business operations.

By arranging appropriate insurance cover for IR35 risk and litigation protection, we will be well-prepared to manage any potential legal challenges related to IR35. This will give us confidence in our compliance with IR35 legislation and provide assurance to our stakeholders that we take our responsibilities seriously.

Monitoring and Review

We will monitor and review our relationships with contractors and other service providers on an ongoing basis to ensure that they remain IR35 compliant. This will include reviewing contracts and working arrangements and conducting regular assessments of the IR35 status of workers.

We will seek to identify any areas of risk and take steps to address these as a matter of priority. Where necessary, we will take corrective action to ensure that our relationships with contractors and other service providers are consistent with IR35 legislation.

Reporting

We will ensure that our reporting processes are robust and transparent, allowing us to identify and report any potential IR35 risks to relevant stakeholders, including HMRC.

In the event that we identify a potential IR35 risk, we will take immediate steps to investigate and address the issue. This may include carrying out a more detailed assessment of the worker's IR35 status, renegotiating contractual terms, or making changes to working arrangements.

Where necessary, we will report any IR35 risks to HMRC in a timely manner, ensuring that we provide all relevant information and documentation to support our assessment of the situation.

We will also ensure that we maintain accurate records of our assessments and any actions taken to mitigate IR35 risks. This will include records of our use of the CEST tool, our assessments of worker status, and any changes made to contractual terms or working arrangements.

Conclusion

IR35 legislation is a complex and evolving area of law, and it is essential that organizations take steps to mitigate their IR35 risks. This policy sets out our approach to IR35 compliance and risk management, outlining the steps we will take to ensure that our relationships with contractors and other service providers are IR35 compliant.

We will continue to monitor developments in IR35 legislation and update our policies and procedures as necessary to ensure that we remain fully compliant. We are committed to working with our contractors and other service providers to ensure that they understand their obligations under IR35 legislation and are able to work with us in a compliant manner.