

ESTABLISHED 2002

50k+
CONTRACTORS
SUPPORTED BY US

900+
RECRUITMENT AGENCIES
CHOOSE US



EXPERT SERVICES FOR THE RECRUITMENT INDUSTRY



Prepared for IR35 2020?



+44 (0)1895 447 800 | queries@jmkgroupuk.com
Highbridge House, 93-96 Oxford Road, Uxbridge,
Middlesex, UB8 1LU

WHAT IS IR35?

IR35 is a piece of legislation that applies to all contractors/temporary workers, who work via their own limited company. IR35 requires a decision to be made on your work status and this decision impacts the tax payments for your current work and contract.

WHAT'S CHANGING?

In the past, the decision to see if IR35 legislation applied to your current work and contract, was your personal decision to make. From April 2020, this is no longer the case. It will not be your personal decision anymore.

It will now be the decision of the company you work at each day, referred to as the "end client". The "end client" is not your recruitment agency.

WHAT DOES THAT MEAN FOR ME AND MY LIMITED COMPANY?

If your "end client" decides you are "outside IR35" (you remain self-employed for tax purposes), nothing will change for you.

If your "end client" decides that you are "inside IR35" (you are an employee for tax purposes) you will have your income taxed at source, the same as being paid PAYE by an employer.

If this is the case, it may not be cost-effective for you to use your own limited company for this particular piece of work and contract.

IR35 CHANGES ON THE 6TH APRIL 2020

HOW WILL MY "END CLIENT" MAKE THE DECISIONS?

Many "end clients" will use the HMRC approved CEST (Check Employment Status for Tax) tool to make their decision. The tool asks a number of questions, at the end of which a decision on IR35 is given. CEST can be found online:



<https://www.gov.uk/guidance/check-employment-status-for-tax>

WHEN WILL I KNOW MY END CLIENT DECISION?

Some "end clients" have already begun communicating their decisions ("status"), while others will still be assessing their existing contractors/temporary workers.

It is the "end client's" responsibility to communicate their decision to you, you are not expected to ask for it.

WILL I BE ABLE TO CHALLENGE A DECISION?

You will be able to appeal a decision on your "status". However, if an "end client" has taken reasonable care in making their original decision, they do not have to change their mind on appeal.

WHAT ALTERNATIVES WILL I HAVE?

Many contractors/temporary workers will stop owning a limited company and move to being employed by an umbrella company, a preferred alternative by many recruitment agencies.

HOW WILL THIS EFFECT MY TAKE HOME PAY?

Speak to one of our specialist advisors as soon as possible, who will help you move from owning a limited company to being employed by an umbrella company.

