

IR35 – Off Payroll Working Guidance for Small Size Businesses

What is changing?

- Off-payroll working rules change on 6th April 2021 and are to be applied differently. From this date, all medium and large sized clients will be responsible for deciding the employment status of workers (sometimes known as contractors).
- Small size businesses no change to rules, as contractors determine their own status for payments.

Who is effected?

- Small size businesses in the private sector
- Small size private sector companies come under at least 2 of the following thresholds:
 - you have an annual turnover of no more than £10.2 million
 - you have a balance sheet total of no more than £5.1 million
 - you have no more than 50 employees

From when?

- The rules come in to affect from the 6th April 2021.

What you will need to do.

Small-sized businesses in the private sector will not have to decide the employment status of your workers. This will remain the responsibility of the worker's intermediary (usually a limited company). However, you must confirm your size if asked by the person or organisation you contract with, or the worker. This is to make sure that you, agencies and workers can consider what rules apply.

If a worker provides services to a small business in the private sector, the worker's intermediary will remain responsible for deciding the worker's employment status and if the rules apply.

For further advice or clarification on how the off payroll working rules will affect your business please contact your relationship Director. Rest assured we will work with you to ensure that your business is compliant with the new legislation from an accounting, tax and payroll perspective.

