

## Changes to IR35 Legislation

Dear Staff

ICare 24 has been working hard to collect all information for you with regards to the new IR35 Legislation. We were awaiting final clarification on the new rules from the Government and HMRC, to determine how exactly it would affect our staff and how it would be implemented. It has now become apparent that this legislation will affect every NHS Trust and every agency supplying staff to the NHS. Trusts are applying IR35 across the board and will not be accepting candidates working as a LTD company. We recognise that this new government legislation may have a significant impact on our staff, and therefore as well as the staple information, we have been researching all avenues and possible options before reaching out to you. As part of our on-going commitment to you, we have entertained presentations from various companies and sought advice from various sources, to enable us to give you the most up to date information and options.

At this moment in time, it seems there are two options available to nursing staff. Staff can revert to PAYE as employees of ICare 24, or work via an umbrella company. We encourage you to explore all options available to you, in the form of links on this site, research and also advice from your accountant.

As aforementioned, we have undertaken extensive research on umbrella companies, taking into consideration rates, service delivery, references and market place. We have a shortlist of highly recommended suppliers, with the two listed below being the ones we feel can really deliver the service we feel our staff need. We have negotiated highly competitive rates on your behalf, and obtained the best possible ones for all ICare 24 staff- whilst ensuring that these companies are credible, financially sound and able to cope with the additional volume of workers.

Please click on the below logos to learn more about these umbrella providers. Registering with them will be very simple- we can send them all your basic information from our systems, and they will generate an electronic form for you to finish completing. If you choose the Umbrella route, registering with them ASAP is the best option, as there will be an influx of requests towards the end of the month. However we will have a fully equipped team to work with the demand and ensure you are all paid correctly and on time.

**PLEASE BE AWARE:** The new legislation comes into effect on 6 th April 2017- any timesheet that is processed after this date, (regardless of when it was worked) will be subject to the new IR35 legislation. Therefore we strongly advise you to submit any timesheets in your possession, and be aware that the end of March will be the final payroll of LTD timesheets.

ICare 24 will continue to work on your behalf to secure work for you at competitive rates, and keep a close watch on the market and any delays or amendments in legislations. We anticipate that the market will adjust to this newest change and challenge also, and we will continue to negotiate with Trusts on your behalf. Though there will be an initial impact for many staff on salary, things do change continuously in the market and ICare 24 will continue to seek the best rates possible for our staff. Please remember that working through an agency still offers many benefits, even with this latest instruction regarding IR35. Agencies can still offer flexibility, regular payments, variation of work settings, a good life balance, and more choice around when to take your holiday. Although it may not seem to be the case at this moment in time, agency workers will still have the opportunity to earn more than substantive staff. Trust banks may offer attractive and comparable rates initially (particularly in this current market), but many of these are offered to entice staff back to the NHS, and will not remain at that rate.

ICare 24 consultants will be on hand to answer any further questions from you once you have digested all the information; please contact your booking consultants to discuss the next steps.



IMPORTANT INFORMATION on disguised remuneration schemes. Please visit the link below for more information.

<https://www.gov.uk/guidance/disguised-remuneration-job-board-avoidance-scheme-spotlight-37>

Do I provide services for a public-sector authority?

If you have received this communication, then our client (to whom you provide services) has been identified as a public-sector body and therefore the changes will apply. For the reform, a public authority means a public authority as in the Freedom of Information Act 2000 and the Freedom of Information (Scotland) Act 2002.

What is IR35?

IR35 is the name given to the government's tax legislation which focuses on identifying 'disguised employees', being individuals who are providing services to a client through an intermediary company, such as a PSC, but whose relationship with the client would be one of employment were it not for the presence of the intermediary. Where this is the case, the IR35 rules require the intermediary to deduct and make payment of the equivalent taxes as would be payable by and for an employee.

What are the key changes that affect me?

From 6th April, responsibility for determining if your assignment is caught by IR35 will shift from your PSC intermediary to the public sector client that you are supplying your services to. Where it is deemed that the rules apply, ICare 24 will calculate the applicable PAYE tax and primary NICs, deduct these at source from your PSC's fees and pay these directly to HMRC on your behalf. Where it is decided that your assignment is outside IR35, your PSC will charge for your services as an intermediary company and no employment taxes will be payable.

How will the decision-making process work in practice?

The public sector client will first determine whether a particular assignment is inside or outside IR35. A new digital employment status tool, developed by HMRC, is expected to be available for this purpose from the end of February. The client will then be responsible for notifying ICare 24 of its decision, along with written details of the relevant circumstances and assessments upon which it has reached such a decision.

What are my engagement options with ICare 24 going forward?

If your assignment is deemed to be inside IR35, ICare 24 is able to offer the following engagement options for you to choose from and we are happy to provide more information on request:

- 1) Move to a PAYE engagement via a contract for services with ICare 24,
- 2) Move to an umbrella model – ICare 24 has an approved supplier list (ASL) of umbrella companies who will support your transition to your chosen Umbrella should you wish to use this option,

Of course, if your assignment is outside IR35, the above options are still available at your request, or you can continue to work via your PSC outside IR35, subject to completion by both the public sector client and yourself as the individual supplying the services of HMRC's decision tool and provision of the decision by the tool as evidence to ICare 24 that the assignment is out of scope.

Where can I find further information/guidance?

Further information can be found on the Government's own website under the following link:

<https://www.gov.uk/guidance/off-payroll-working-in-the-public-sector-personal-service-companies>

Please note that the legislation is still in draft format and may be subject to further amendment. However, given the activities and timescales involved in ensuring all ongoing assignments are compliant with the off-payroll rules by 6th April we are in a position where we must press ahead with the changes based on the guidance provided.

An accountant or tax specialist may also be able to offer further advice or guidance on this matter. ICare 24 will issue further communications to you once the status of your assignment has been confirmed by the public sector client.