**IR35 FAQs**

**Q. What is IR35 and how does it affect me?**

A. On 23rd November 2016, the Government confirmed the new legislation detailing the reform of the Intermediaries Legislation (also known as IR35) for all public sector engagements. From April 2017 all contractors working via their own Personal Service Company (PSCs) will no longer be responsible for determining whether an engagement is inside or outside of IR35.

**Q. So who will assess my IR35 status?**

A. As nearly all of Tripod’s engagements sit within the public sector, they will be within scope of the new IR35 legislation. Whilst technically it is our responsibility to ensure compliance, the new legislation puts an onus on the public sector body, who you will ultimately work for, to make the IR35 assessment and to advise the agency of the outcome. Following this assessment, it is the responsibility of the agency to ensure that payroll taxes are deducted from agency workers inside IR35.

**Q. How will you determine whether I am in or out of IR35?**

A. We are currently reviewing all of our current contracts and our clients will determine which roles and engagements will or won’t be caught by IR35. We expect that virtually all Public Sector engagements will be deemed to be inside IR35. An online tool developed by HMRC will be released on the HMRC’s website, which you will be able to complete if you so wish. However this is not yet available.

**Q. What If I work through an Umbrella or via PAYE?**

A. It is important to point out this will not affect contractors working either PAYE or through an Umbrella.

**Q. If it is decided I fall within IR35, will I be entitled to all benefits of a permanent employee?**

A. Unfortunately, if you are working through a PSC (Personal Service Company), you would not be entitled to all benefits of a permanent employee. However if you work via an umbrella company, you would have some employment rights, which do vary depending on which umbrella company you work through. Please consult with your umbrella company contact for further clarification.

**Q. Can I work via an offshore umbrella company?**

A. If you work via an overseas umbrella, we will deduct UK PAYE and National Insurance ahead of remitting any funds to the Umbrella. As such, it is unlikely to be economically viable for you.

**Q. What tax will be deducted and how will I know what has been deducted?**

A. We await further information from HMRC, but deductions would show up on your remittance.

**Q. Can I still work via a PSC (Personal Service Company), if I fall within IR35?**

A. Yes, you can still work via a PSC (Personal Service Company) but the correct tax and NI will be deducted at source by the agency before the funds are remitted to your PSC.

**Q. When will I receive further details on this?**

A.Full details will be revealed on the 8th March following the Government’s Spring Budget. Although there are strong indications of content, full details of the new IR35 legislation will be revealed at this point. We will of course send updates upon this announcement and issue more guidance on options open to our contractors.

At the moment you can find more details at the following website where it is likely to ultimately present the Governments assertions:

<https://www.gov.uk/government/publications/off-payroll-working-in-the-public-sector-reform-of-the-intermediaries-legislation/off-payroll-working-in-the-public-sector-reform-of-the-intermediaries-legislation>