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# IR35 Simplified

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**Omni Resource  
Management Solutions Ltd**



# Introduction

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IR35 will involve major changes to the way that businesses are able to engage with contractors in future.

There is also a huge amount of work to be done to ensure compliance by April 2020. The new legislation presents a significant financial risk in relation to unpaid Tax, NI and fines, potential disruption to critical projects, and reputational damage if you get it wrong.

It doesn't have to be a huge headache though, if you engage a trusted partner with the expertise to manage the transition for you.

Omni offer an end to end solution that can protect your business from all of these challenges. We can help you to use it as an opportunity to reshape your workforce and create a better resourcing strategy that aligns to your business needs in the short, medium and long term.

# Our Recommended Approach

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1.

## Flexible Workforce - Data Capture

You may have a well-defined list of the contractors working in your business, or you may be unsure as to who exactly are providing services. Groups of Contractors can be hidden behind purchase orders relating to service costs. Either way it is vital that each individual contractor providing services to your company either through an agency or via a services company is examined for IR35 compliance. Failure to do so can result in significant financial penalties from HMRC. Contractors working via a services company under a Statement of Work, may still present a risk to your business.

2.

## Flexible Workforce – IR35 Assessment

If you have full details of your contractor population, HMRC require you to determine which are inside IR35 and which are outside. They have a tool available to help you with this (CEST) but it has been criticized regarding its accuracy. Omni has access to other tools that ask more detailed questions and provide a more comprehensive assessment of the contractors status. It is your responsibility as the end client to provide a Status Determination Statement (SDS) to each contractor (and their agency if applicable). You need to demonstrate that you have taken “reasonable care” to ensure an accurate decision.

3.

## Flexible Workforce – Risk Assessment

You may be faced with a scenario in which some of your most critical flexible workforce decide that they can no longer engage with you under the same contract, or indeed that you believe them to be inside of IR35 and can no longer offer them work in the same way. It's important to understand who is delivering critical projects and have a plan in place to mitigate the risk if you can no longer engage those individuals.



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4.

### Communicating to the workforce

Contractors are likely to already be making plans as to what their next steps will be. There is some nervousness in the contractor community about retrospective claims from HMRC and whether they are likely to increase their risk of investigation if they are deemed to be inside of IR35 in their current assignment. It is important to engage with them in the correct way, to understand their thoughts – especially those critical to the running of your business.

5.

### Reshaping your Workforce

It is inevitable that you are going to have to re-shape your workforce to some degree. Asking contractors to consider Umbrella assignments, Permanent Hiring, Fixed Term Contracts and Statement of Work are amongst the options - some of these are more complex than others and more costly – careful planning between now and April is key to ensure business continuity.

6.

### Workforce Planning for the Future

The changes to IR35 legislation will have a major impact on the way that your business engages with contractors in future. It is vital that you plan ahead and understand your resourcing needs well enough to be able to get the right solutions in place for future hiring. You may no longer be able to secure the same resource in a short timeframe and need to have a plan in place for short term, urgent hiring.

### Omni can take away the pain

Omni's IR35 and Resource Transformation team can de-mystify and take the hassle out of IR35 for you. We'll review your contractor population, assess your state of readiness for IR35 and use our in-house calculator to advise on the likely increase in costs your business could face. Our expert consultants can then get to work implementing the changes that need to be made in order to minimize your financial and reputational risk whilst keeping the cost of change as low as possible for you.



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To book your free consultations please...

## Contact

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