

# IR35

## FACTSHEET

FOR CONTRACTORS



MARINE  
RESOURCES

## WHAT IS IR35?

As a contractor you may have heard someone mention IR35 and perhaps you are not sure how it may apply to you? Don't worry, there's lots of advice out there, and we have put this guide together to let you know how it will affect you and your assignments while working through us.

From April 2020, the Government is making changes to the existing IR35 tax regime. The new legislation assesses whether contractors are 'actually' employees when they take on work for clients, and will ensure that everyone who does the same job in the same manner pays the correct income tax and NI contributions.

IR35 is not new, it is known as the 'off payroll reforms' however, **the key change** is that the responsibility of determining if you are working 'inside' or 'outside' of IR35 will pass to the end-user client. If determined to be inside IR35 then you are classed as an 'employee' and will be liable for income tax and NI contributions through your pay. If 'outside IR35' then this is not the case.

The responsibility for deducting and paying your income tax and NI will also move to the party which pays the your limited company.



## BUT I'M SELF EMPLOYED!

True, but if you are working on an assignment that falls 'inside' IR35 then the HMRC can tell if you are a 'disguised' employee via certain criteria even if you are self-employed.

The end user client will assess each assignment taking in a broad range of factors, however the most important are:

- **Supervision, direction and control:** What degree of supervision, direction and control does the client have over the contractor on a day to day work basis?
- **Substitution:** Can the contractor send someone else in their place?
- **Mutuality of obligation:** Is the client obliged to offer the contractor work, and are they obliged to accept it?



## TAKE OUR QUICK QUIZ TO SEE IF YOUR ASSIGNMENT MAY BE INSIDE OR OUTSIDE IR35

### 1. WHO CAN PERFORM THE WORK YOU DO FOR CLIENTS?

- A. It can be me or anyone else I employ or subcontract (at my own expense)
- B. It has to be me

### 2. WHO CHOOSES THE HOURS YOU WORK?

- A. I do, and I can work whatever hours I choose
- B. My client tells me when to come in, or we've agreed on regular hours

### 3. CAN ANYONE TELL YOU HOW, WHEN OR WHERE TO COMPLETE THE WORK, OR MOVE YOU FROM TASK TO TASK?

- A. No, how/when/where I work is defined by the task and new jobs require a new contract
- B. Yes, my client instructs me on these

### 4. HOW ARE YOU PAID?

- A. I charge a fee based on the overall job
- B. I am paid by the hour/week/month

### 5. DO YOU GET ANY OVERTIME PAY OR BONUSES?

- A. No
- B. Yes

### 6. WHAT HAPPENS IF THE WORK YOU DO IS CONSIDERED TO BE UNSATISFACTORY?

- A. It depends what I've agreed with the client, but generally I'll complete it on my own time and at my own expense
- B. I will generally get paid to redo it as part of my standard work

If you have answered B to most of these questions, it's likely your assignment will be 'inside' IR35 and your pay will require Income Tax and NI contributions. This 'paints a picture' of the status, however detailed reviews of all assignments will be made.

## WHAT DOES IT MEAN IF MY ASSIGNMENT WITH MARINE RESOURCES IS 'INSIDE' IR35?

Falling inside IR35 isn't as big a problem as you might expect. It's certainly not the end of your contracting career.

### New Assignments:

When you work with Marine Resources, we will let you know the IR35 status of the assignment before you start.

### Existing Assignments:

For existing assignments, which you are working on beyond April 2020, we will inform you if this now falls inside IR35 in advance. We can tell you the steps you need to take and any changes to your take home pay. A new

contract and assignment form will be sent to you.

### In both cases:

- You will be contracted as an individual through a Marine Resources certified and approved payroll company under a PAYE umbrella model.
- You can remain working through your Ltd company, but you will be paid weekly or monthly dependent on the assignment, as a 'deemed salary' payment NET of your income tax and NI contributions via our approved payroll company.

I DON'T HAVE A LIMITED COMPANY OR PROVIDE WORK THROUGH A PERSONAL SERVICE COMPANY.

### DON'T WORRY.

YOU WILL ALREADY BE PAID VIA ONE OF OUR CERTIFIED PAYROLL COMPANIES UNDER PAYE UMBRELLA MODEL, SO YOUR PAY WILL NOT BE AFFECTED.

### FOR MORE INFORMATION

For government advice:

[gov.uk/guidance/understanding-off-payroll-working-ir35](https://www.gov.uk/guidance/understanding-off-payroll-working-ir35)

To speak with us to help you navigate through IR35,

**Call: +44 (0)23 8063 3399**

Or email us:

[hi@marineresources.co.uk](mailto:hi@marineresources.co.uk)



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