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& Customs

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Wealthy & Mid-Sized Business

ES&I
Queensway House
East Kilbride
G79 1AA

Date 21 January 2020
Email offpayroll.contactus@hmrc.gov.uk
Web www.gov.uk

Dear [REDACTED]

Educational call on changes to the off-payroll working rules

We are writing to invite you to take part in an educational call regarding the off-payroll changes due to be implemented from 6 April 2020.

From 6 April 2020, the responsibility for applying the off-payroll working rules is due to change. It means that medium and large organisations, including some charities, will be responsible for ensuring their workers pay the right tax and National Insurance Contributions (NICs). The change is designed to improve compliance with existing rules and does not introduce a new tax.

The off-payroll working rules ensure that individuals who work like employees, regardless of whether they work through a structure such as a Personal Service Company (PSC), pay broadly the same Income Tax and NICs as employees.

The organisation, agency or other third party paying the individual's intermediary will be responsible for deducting and paying any tax and NICs.

Off-payroll reforms review

The Government has launched a review of reform to the off-payroll working rules to determine if any further steps can be taken to ensure the smooth and successful implementation of the reforms, which are due to come into force on 6 April 2020.

In the meantime, HMRC will continue its programme of education and support activities, helping customers to prepare for the reform. More information on these activities can be found below.

Help and support

To help you prepare for these changes, we would like to invite you to a call to help you understand what it means for your organisation and what you need to do to be ready.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



We would like to offer you a call between **20 January and 6 March 2020**. Please contact your Customer Compliance Manager (CCM), [REDACTED], as soon as possible, but before **29 January**, to discuss and agree a mutually convenient date and time for the educational call to take place.

In advance of the call, please fill in the attached questionnaire and return it to your CCM.

Alternatively, please let your CCM know if you do not wish to take up the offer of additional support.

Talking to your contractors

If you engage contractors, we ask that you start talking to them now about whether the off-payroll rules will apply to their role.

To help them understand the changes and how their contracts with you may be affected, please share the attached factsheet with the contractors you engage. A pdf of the contractor factsheet can be found on <https://www.gov.uk/government/publications/off-payroll-working-in-the-private-sector-ir35-budget-2018-brief>

More information

- HMRC will be delivering a series of webinars on the changes. The webinars provide general awareness but are not intended to replace the education call with HMRC, which offers tailored education and support on the off-payroll changes. For more information and to register for the webinars, please go to <https://www.gov.uk/guidance/help-and-support-for-agents>
- You can find more information on GOV.UK <https://www.gov.uk/guidance/april-2020-changes-to-off-payroll-working-for-clients>
- The Check Employment Status for Tax (CEST) tool helps individuals and organisations decide if a worker should be treated as employed for tax purposes. It takes users through straightforward step-by-step questions. HMRC has launched an enhanced version of the CEST tool. We worked with more than 300 stakeholders to make the tool clearer, reduce user error and consider more detailed information.

The CEST tool and guidance on how to complete it can be found at:

<https://www.gov.uk/guidance/check-employment-status-for-tax>

<https://www.gov.uk/hmrc-internal-manuals/employment-status-manual/esm11000>

Yours sincerely

HMRC Off-payroll Working Programme Team