

# Off-payroll review launched

- Government launches review into implementation of changes to the off-payroll working rules
- Review will gather evidence from affected individuals and businesses to ensure smooth implementation of the reforms

The Government is launching a review of changes to off-payroll working rules today to address any concerns from businesses and affected individuals about how they will be implemented.

The review will 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 in April 2020. As part of this, the review will also assess whether any additional support is needed to ensure that the self-employed, who are not in scope of the rules, are not impacted.

Off-payroll working rules, known as IR35, were introduced in 2000 to ensure that someone working like an employee, but through a company, pays similar taxes to other employees.

The reforms, announced in the 2018 Budget, are designed to tackle non-compliance with off-payroll working rules by making medium and large organisations in the private and third sectors responsible for determining the tax status of contractors.

The review will focus on the implementation of these reforms, which are due to come into force on 6 April 2020.

The government will launch a separate review to explore how it can better support the self-employed. That includes improving access to finance and credit, making the tax system easier to navigate, and examining how better broadband can boost homeworking.

Today's announcement fulfils a commitment made by Chancellor Sajid Javid on November 30th last year.

Financial Secretary to the Treasury Jesse Norman said:

We recognise that concerns have been raised about the forthcoming reforms to the off-payroll working rules.

The purpose of this consultation is to make sure that the implementation of these changes in April is as smooth as possible.

The review, which will conclude by mid-February, will engage with affected individuals and businesses on their experiences of the implementation of these reforms.

As part of the review, the Government will hold a series of roundtables with

stakeholders representative of those affected by the reform, including contractor groups and medium and large-sized businesses, to understand how the government can ensure smooth implementation of the reforms. The Government will also carry out further internal analysis, including evaluation of the enhanced Check employment status for tax (CEST) tool and public sector bodies' experience of implementing the reform to the off-payroll working rules in 2017.

The off-payroll working rules do not affect the self-employed, as only those working like employees are in scope. As part of the review, the Government will explore whether there are any further steps it could take to support businesses in correctly determining employment status.

In parallel to the review, HMRC will continue its comprehensive programme of education and support activities, proactively helping customers to prepare for the reform to off-payroll working rules in April 2020. This will include one-to-one engagement, webinars and workshops alongside targeted communications and support for customers, and their representatives to help them prepare for implementation on 6 April 2020.

### **Further information**

- The off-payroll working rules were introduced in 2000 and require that individuals who work like employees, but through their own company, pay similar taxes to other employees. Those who do not comply with the rules pay significantly less income tax and NICs than an equivalent employee.
- Since 2017 public sector employers have been responsible for assessing the employment status of individuals. The reforms being introduced in April 2020 will require medium and large organisations in all other sectors to do the same.
- The Chancellor announced the off-payroll review in an interview with [BBC's Money Box](#) on November 30th 2019.