

IR35 for Hiring Companies

Are you a company that will hire contractors after April 2020?

If so, here are ten ways to make sure you comply with IR35

1. Review existing contracts

Use IR35 as a reason to meet with the contractors and service providers you hire, review their contracts and put measures in place to ensure they meet the criteria set out by HMRC.

2. Take each case on an individual basis

The majority of service providers should still be able to retain their independent status post April 2020 so deal with each on a case by case basis and save having to find new specialists.

3. Avoid managing the supplier

Resist the temptation to delegate or take ownership of the work carried out by the service provider. It could be seen to undermine their independent status.

4. Implement new recruitment procedures

Run through some critical checks as soon as an opening becomes available so you can quickly establish if the role is most suited to an independent service provider or an employee.

5. Agree a fixed price delivery

Fixed price agreements are a good way of putting the ball firmly into the service provider's court – and will show they are able to take full responsibility for the success of the project.

6. Take heed of Ts & Cs

Service providers will need to redefine their boundaries in the light of the new IR35 legislation. Support them by observing and respecting their terms and conditions and help avoid costly penalties or fines.

7. Define deliverables

Setting clear milestones and KPIs will prove the service provider is not tied into an ongoing working relationship with you, and will prove there is no mutuality of obligation on either side.

8. Establish better accountability

Accountability plays an important part in reaffirming a service provider's independent status, so ask for guarantees and compensation should things fail to go to plan.

9. Respect the 'right for substitution'

Prepare for the time when a service provider sends a representative in to work instead of them. The freedom to substitute is a clear criterion in determining IR35 status.

10. Hire through an agency

You can easily stay compliant with IR35 by going through an agency. Specialist service providers supplied by Digital Skills will come to you fully compliant with IR35 - so you can benefit from less paperwork and greater peace of mind.

Need help finding and hiring digital contractors?

Contact Digital Skills on 01628 421781 or email info@digitalskills.com
Visit www.digitalskills.com to find out more, or follow us on social media [Twitter](#) [LinkedIn](#) [Facebook](#)