

STATUS DETERMINATION STATEMENT TEMPLATE

In response to various concerns surrounding the provision of information as well as a duty for taking reasonable care, the off-payroll rules now include the requirement for a 'status determination statement'. This will apply to both private sector organisations and public sector bodies from 6th April 2021.

WHAT IS A STATUS DETERMINATION STATEMENT?

According to the draft legislation published 11th July 2019, the statement must include:

1. the status decision made on an engagement
2. the reasons which led to this decision

This statement must then be shared with both the contractor, and the next party in the supply chain from the client (in most cases this would be the fee-payer which is usually the recruitment agency placing the contractor, however in more complicated supply chains, this may be a different party who will be obliged to pass on the statement until it reaches the fee-payer).

USING THIS RESOURCE

Qdos have been providing determinations for contractors for nearly twenty years, and for hiring organisations for nearly three years, providing one of the most trusted opinions on IR35 status since it was introduced in 2000.

This template is intended for hiring organisations who will be impacted as a result of the off-payroll working rules (IR35 reform) in effect as of April 2021. The template is provided for general information and use only and it is not intended to amount to advice on which you should rely.

A status determination statement should be completed by the relevant persons and subsequently provided to the parties as described above for each new PSC engagement and existing PSC engagement who will, or is expected to, receive a payment on or after 6th April 2021.

A completed example has also been provided for your information.

The Qdos Status Review service automatically provides the requirements of the statement including sharing to the relevant parties as described above via the Status Review management portal.

See www.qdoscommercialservices.com/status-review for more information or call 0116 478 3390



Status Determination Statement

Company Name: Contractor Ltd
Contract Start Date: 06 April 2021 Contract End Date: 05 April 2022
Agency (if applicable): Example Recruitment
Date Completed: 01 March 2021 Completed By: Joe Bloggs - Hiring Manager

We believe that this engagement falls **Outside IR35** and are therefore **Self-Employed** for tax purposes, for the following reasons:

- You have a genuine right to provide a substitute which is crucial with regard to IR35 as it is one of the most important tests used by HMRC in determining IR35 status, and demonstrates that it is your business that has been engaged to provide services rather than a specific individual.
- Your business would pay any substitute provided. Any substitute engaged by your business must be paid by your business for such a right to be viewed as genuine by HMRC.
- Your business can engage helpers to assist in the provision of services. This helps to demonstrate a lack of a requirement for personal service.
- You are not subject to ongoing monitoring or supervision which is a strong indicator to self employment.
- You are able to determine how to provide the services which is positive as this demonstrates that, as an independent specialist, you can determine your own method of working. This is a strong point towards genuine self-employment.
- The end client does not have any employees who can undertake the services your business has been engaged to provide, which demonstrates that your business has been engaged for the specialist services it can provide.
- Paying for training or equipment which is vital to the services you are providing is positive and helps to demonstrate that you are operating a genuine business.
- You would correct defective work at your own cost and in your own time which shows that you are taking a financial risk, a strong indication that you are operating a genuine business.
- You have corrected faulty work in your own time, and at your own cost, during this contract which demonstrates the existence of financial risk.
- You hold business insurances which is a good indicator of being in business on your own account and also demonstrates that you are exposed to a financial risk.
- Your business has undertaken multiple contracts, which is a strong pointer towards genuine self-employment. Contractors who are not reliant on one source of income, but who provide services to many clients are much more indicative of a genuine business.

This determination was produced using Qdos' Status Review service

If you wish to dispute the result of this determination, please contact info@qdoscommercialservices.com

Status Determination Statement

Company Name:

Contract Start Date:

Agency (if applicable):

Date Completed:

Contract End Date:

Completed By:

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for tax purposes, for the following reasons:

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