**Employment and IR35 Status User Guide**

FOR INTERNAL USE ONLY – DO NOT SEND TO CONTRACTORS

Since April 2017, it has been the Council’s responsibility to assess and determine the employment/IR35 status of services and works being carried out for the authority. In order to make accurate assessments, two forms need to be completed; the Contractor Form, and the Engager Form. These forms need to be completed and returned to the Olas team **before** the work or service is carried out. When the Olas team receives both forms, an assessment will be made using HMRC’s online CEST toolkit. The assessment result will determine if payments are to be made via Creditors or through Payroll with possible tax and NI deductions. It is important these forms are completed **before** the work or service starts, as the supplier must be notified up-front if the authority is going to deduct tax and NI from their payment before they start the work. If the forms are completed after the work or service has started, then you are out of compliance with HMRC’s legislation.

If you have been directed to this guide, please follow the steps below to obtain the required information:-

1. Below is a pre-scripted email. Please copy it into a new email and send it to the contractor.

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| To whom it may concern,  In order for your company to be set up on the financial system of Caerphilly County Borough Council, please click on the link below and complete the contractor form.  <https://iweb.itouchvision.com/portal/f?p=customer:category_link:::::CUID,LANG:94A29669D1BA630907E05314609B1A8CB0E4C284,EN&P_LANG=en>  If you have any queries, please respond directly to this email.  Thank you,  I’r sawl a fynno wybod,  Er mwyn i’ch cwmni gael ei sefydlu ar system ariannol Cyngor Bwrdeistref Sirol Caerffili, cliciwch ar y ddolen isod a chwblhau’r ffurflen contractwr.  <https://iweb.itouchvision.com/portal/f?p=customer:category_link:::::CUID,LANG:94A29669D1BA630907E05314609B1A8CB0E4C284,CY&P_LANG=cy>  Os oes unrhyw ymholiadau gennych, ymatebwch yn uniongyrchol i’r e-bost hwn.  Diolch, |

1. When the contractor completes the Contractor form, it will be emailed back to you (not the Olas team). You will need to save the email as an **html** file; otherwise we won’t be able to view it. Once you have saved the email, please complete the [Engager Form](microsoft-edge:https://iweb.itouchvision.com/portal/f?p=customer:category_link:::::CUID,LANG:9415F59D3F07000611AC5E053317401A8C0DFBCD,EN&P_LANG=en). Please answer the questions as accurate as possible as HMRC will not stand by contrived answers, and will enforce financial penalties where applicable.
2. Once both forms have been submitted to the Olas team, an assessment will be made using HMRC’s online CEST toolkit to determine the employment and IR35 status. The Olas team will inform you of the result, as to whether the payment is to be made via Creditors (Accounts Payable), or via Payroll with possible tax and NI deductions.

Further information relating to Employment and IR35 status can be found on the Olas quick-links page or via <https://www.gov.uk/government/organisations/hm-revenue-customs>