

Employers warned not to allow lockdown to impact IR35 preparations

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Specialist insurance broker, Kingsbridge, has urged employers to continue IR35 preparations despite the Prime Minister's announcement of a second lockdown.

With the UK now in a national lockdown, Kingsbridge has raised concerns that this may impact preparations for the 2021 off-payroll changes in the private sector. However, with the IR35 roll out expected to go ahead regardless of the new Coronavirus restrictions, employers need to ensure their preparations continue as normal.

Andy Vessey, Head of Tax at Kingsbridge commented:

"The news of a second lockdown has certainly raised a number of concerns for organisations, but there are several 'business as usual' activities that need to be maintained – in particular, preparations for the private sector IR35 reform implementation next Spring. While the next few months are likely to continue to be filled with uncertainty, we're confident that there will be no further delay to these off-payroll measures."

"Interestingly, HMRC spoke about a 'soft landing' in a recent webinar, further re-enforcing that they will be going ahead with the intended changes. This 'light-touch approach' means that HMRC will not require the fee-payer to settle penalties for inaccuracies relating to the off-payroll working rules in the first 12 months unless there is evidence of deliberate non-compliance. However, this should not be taken as an excuse to avoid making sure you have an accurate, fair process in place ready for next year but should rather spur you on to make sure you can prove your compliance accordingly."

"For employers, working with third party staffing firms and contractors now to ensure determinations are being made in a fair and accurate way will be crucial to success post 6th April 2021. Keeping the momentum going on preparations, despite the challenges we're all facing in light of COVID-19, is important if recruiters, employers and contractors are to be in the best possible position next year as we attempt to recover from what has been a highly unprecedented 2020."

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