

Crunch decodes IR35 with new tools and support for recruiters, employers and contractors

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UK's first and only end-to-end solution for surviving April 2020's IR35 legislation

<https://www.crunch.co.uk/ir35/> (<https://www.crunch.co.uk/ir35/>)

Digital accountancy agency Crunch today launches its new end-to-end IR35 solution for contractors, businesses and recruitment agencies. The new service helps ensure compliance can be met for the new IR35 rules taking effect from April 2020, when the IR35 'off-payroll' rules will be extended to the private sector.

With many recruitment agencies concerned about how they will survive under the new IR35 regulations, this new solution calculates the status for each contractor. Dependent on the results, Crunch uniquely offers a range of packages and tools to help contractors deal with all IR35 eventualities. Contractors can now keep their limited company trading by switching to Crunch's umbrella payroll if and when it's needed.

Despite recent updates, HMRC's CEST tool has been widely discredited as being too reliant on substitution clauses and completely ignoring Mutuality of Obligation (MoO), which is why Crunch built in the IR35 calculator. The calculator tool, powered by technology company IR35.io, is important because employers will be responsible for determining the employment status of contractors they hire under IR35 rules. Recruitment agencies also have new responsibilities and face new financial risks if the status decision is not properly assessed and communicated.

Crunch's IR35 calculator tool (<https://www.crunch.co.uk/ir35/>) asks 50 questions and gives the IR35 status immediately, taking around five minutes to complete. It also connects all parties involved (contractor, agency and employer) to aid data entry and to help accurately determine whether a contractor falls inside or outside of the new IR35 rules. The online calculator, with a detailed explanatory report, is included in the subscription package for employers and recruiters, and the calculator is free for contractors to use.

This means contractors and businesses can get an accurate assessment and make any changes to contract terms or working practices to change the result if necessary. The results of this tool can be used by contractors as evidence that they took due care in assessing their status if it is later questioned by HMRC or in future tribunals. Employers will also be able to use the tool to produce a Status Determination Statement for their contractors as required under the new rules.

In addition, Crunch's tool manages the whole IR35 assessment workflow for an organisation. Collaborate with contractors to answer assessment questions, manage decision sign-off between recruiters and clients and generate and distribute Status Determination Statements to guarantee proper compliance down the entire supply chain.

Once IR35 status is confirmed, recruitment agencies can offer their contractors a range of Crunch accounting packages to meet the specific needs of each contractor and end-client within a subscription model. Packages include a limited company accountancy service and a switchable Umbrella payroll service for all contracts falling outside of IR35 rules, all supported with Crunch's online software to simplify and speed up the process.

This new Crunch package gives flexibility to the contractor who can maintain their limited company and use the umbrella service where needed. It also protects agencies and contractors by meeting all HMRC rules and ensures all necessary tax and NI is paid at source where required.

Business insurance, an IR35 payroll service as well as a range of webinars and advice are also available from Crunch to protect each contractor and make the process as simple as possible.

Darren Fell, CEO and founder of Crunch, said: "We are delighted to be the first to offer this full end-to-end IR35 solution for the many millions of UK contractors and the UK's recruitment agencies supplying the contracts. It gives agencies and contractors the confidence that they can continue to operate, whilst ensuring they are working within the new IR35 regulations.

"However, as the UK prepares for this change in April, I think it's an important time to discuss the growing debate over HMRC's unfair focus on small business. There's an opportunity for future government strategy to prioritise the tax gains from larger technology firms that are operating in the UK. Many of whom are posting substantial profits, whilst contributing very little to the Government's purse. Why should contractors be paying a higher taxable price from April next year, when the largest tech firms contribute very little?"

Tom Cooksey, founder of IR35.io added: "I've always been an admirer of Crunch - the innovative way it goes about its business is a model for all and I'm extremely excited about this partnership. The incoming legislation is poorly thought out and is creating a huge amount of uncertainty in the market. The goal of our business is to bring some order to this whole situation and the extra services and support that Crunch is able to wrap around our solution makes this relationship a formidable one."

Crunch's IR35 solution for recruitment agencies and employers launches today and its package for contractors will be available later in December. For more information about IR35 and how the new rules work, and production information for the new solution from Crunch, go to www.crunch.co.uk/ir35 (<https://www.crunch.co.uk/ir35/>).

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Notes to editors

About Crunch

Crunch is an online integrated software and service accountancy firm, combining a team of in-house certified chartered accountants available on-demand along with a team of client managers and easy-to-use online accounting software. Designed specifically for freelancers, contractors, sole traders and small

businesses and with over 11,000 clients across the UK, Crunch is more than just an accountancy firm – it's everything you need to manage your business finances. Crunch also has a growing network of freelance bookkeepers to support customers and handle all bank reconciliations. Complete accounting solutions start from just GBP29.50 +VAT per month for sole traders and GBP71.50 plus VAT for contractors. A subscription model enables recruitment agencies to offer Crunch's services to their contractors.

In recent years Crunch has created many other tools to empower the self-employed – including specialist mortgage, insurance and investments and pensions products. Crunch's free community for micro-businesses, Crunch Chorus, has so far helped over 50,000 freelancers, contractors, and small businesses by providing jargon-free business guides, articles, tools, useful templates, and access to events and networking opportunities.

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