

Corruda: Your Secret Weapon Against IR35

IR35 is sweeping the construction industry, leaving devastation in its wake.

BELFAST, DOWN, UNITED KINGDOM, July 7, 2021 /EINPresswire.com/ -- What is [IR35](#)?

April 2021, the month that so many companies dreaded and for the first time in a year, it wasn't because of Covid-19, it was the worry, the thought of being non-compliant, April marked

the new Intermediaries Legislation coming into effect. The act is known as the IR35 named after Inland Revenue, which is now of course known as HMRC.



Is your construction company compliant?

The main aim of the legislation is to change the way in which business is dealt with. Medium and large sized businesses now have the legal obligation to determine the employment status of individuals that provide services to them. With great power comes great responsibility, once up to the individual person, the responsibility falls on the company.

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The Gekkoshot Team

Would you be compliant if there was a check today?

The legal obligation is taken very seriously, with life changing, potentially bankrupting fines for those found not complying with the law. [Corruda's](#) liability calculator shows

you the amount that your company could potentially be liable for, and if that figure strikes fear into you, then Corruda has a solution to help to ensure that you make a quick turnaround into a compliant company.

The relationship between your company and any individual can be determined by HMRC to be not self employed, giving them the rights to backdate 6 years of PAYE and NICs.

The wording of contracts, and making sure that one is not a disguised employee is the overall aim of the legislation and tax benefits of limited companies are on the line should you get caught

by HMRC.

What does outside IR35 mean?

Companies that are not seen to be in violation of IR35 are referred to and deemed to be “outside IR35”. These are the companies that will not be facing any additional fees or penalties.

Companies that fall into this bracket, even a one-person business are the ones that choose where, when and how they work - operating independently.

How Will Your Status Be Determined?

HMRC reserves the right to conduct checks at any time of their choosing. The written contract is essentially disregarded and HMRC instead look to consider the relationship of the contractor and the business - a ‘notional contract’

The following three factors are considered.

Control. The level of power that the business has over how what, when and where the contractor completes the assignment is assessed. More control = likely to be inside IR35.

Substitution.

Can the work be completed by someone else or is it person-specific or contractor-specific? The latter means that it is likely operating inside IR35.

Mutuality of obligation.

Is there an obligation for the business to provide work? Is there an obligation for the contractor to accept the work? This would be seen to be operating inside IR35.

[Umbrella Company IR35](#)

If you work through an umbrella company, you will be taxed as an employee. Paying income tax and National Insurance Contributions on the amount you are paid.

With minimal paperwork, more often than not IR35 caught workers prefer to use an umbrella company. Umbrella Company IR35 is the quick and easy way to ensure that you are compliant, with minimal paperwork.

Impact On The Recruitment Industry

With a huge rise in workload for hiring managers, companies are finding themselves needing to find new ways to attract contractors as the ‘pool’ of applicants has diminished. With the crackdown on IR35, many contractors are starting to look for permanent jobs, there are still many changes to come as this continues to roll out. If you are unsure about your status and

whether you are compliant, then get in touch today with Corruda and get everything in order, without the stress.

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