



**RIG Locums is here to support you through the upcoming changes for off payroll workers in the public sector and the changes to IR35 Legislation from 6<sup>th</sup> April 2017**

We are writing to you today to update you on the changes in tax legislation being introduced by HMRC and Government from **6<sup>th</sup> April 2017** and how this may impact the way you supply your services to the NHS.

RIG Healthcare (including RIG Locums) is one of the largest suppliers of temporary AHP's, Locum Doctors and HSS professionals to the NHS having supplied healthcare professionals to the NHS for over 14 years with well over 1 million hours of supply in 2016 to Hospitals across the UK.

Therefore, you can rest assured RIG have invested considerable time to understand these changes fully and have taken the necessary steps to ensure that you have the appropriate information needed to ensure that you choose the most compliant and least disruptive solutions available in order to comply with the upcoming changes.

***This is the first in a series of updates that we will send you over the coming weeks where we will share as much information as possible regarding these changes and the solutions that RIG will offer you. Details of how the changes will apply are still being confirmed and clarified by HMRC and NHS Trusts.***

**Who will this affect?**

From the **6<sup>th</sup> April 2017** these changes will affect most temporary workers who are working on assignments via a Personal Service Limited Company (PSC) in the Public Sector which includes the NHS and Local Government organisations. This does not just affect temporary workers with RIG or supplying in to the NHS, it affects all suppliers and the majority of temporary workers operating in the whole UK Public Sector. This change applies if you are working via an agency or engaged directly with an NHS Trust via Direct Engagement such as operated by Staff flow or 247 time on behalf of various NHS Trusts. We recognise that if you operate through a PSC these changes may cause you some concern and we want to assure you that we are working hard to ensure that we can offer you the most competitive and compliant solutions that will enable you to continue working as a Locum with RIG with minimal disruption.

***We are still awaiting further updates from HMRC with respect to whether or not this change will effect Consultant level Locum doctors in certain capacities in the same way and will keep you updated as soon as we have further information.***

### **What is IR35?**

IR35 is the name given to a tax legislation in the UK that is designed to ensure workers supplying their services to clients via an intermediary, such as a PSC, but who would be an employee if the intermediary was not used, are taxed in the same way as a general employee.

### **What is changing?**

Up until the **6<sup>th</sup> April 2017** it has been the decision of each PSC whether their worker was in-scope of the IR35 legislation (paid as an individual after deduction of employment taxes) or outside the scope (the PSC is paid gross, then accounts for appropriate tax to HMRC). **After the 6<sup>th</sup> April 2017** this decision on which categories of worker falls within the new rules lies with the end Public Sector body receiving the services, in our case NHS Trusts. It is likely that as a result of this change PSC's will no longer be able to receive a gross payment where the end client is a Public Sector Body.

**Please also remember that this is a change issued by HMRC and the Government which applies to all agencies delivering staff to the public sector and effects all workers who fall into this category in exactly the same way.**

In order to read the full detail on these changes please click [HERE](#)

### **What is the stance of NHS trusts on these changes?**

NHS Trusts and Framework providers have already started communicating to us that they have made the decision that they will not accept any workers via a PSC from the **6<sup>th</sup> April 2017** and we expect many more clients will follow.

### **This does NOT affect you if you work in the private sector**

If you are currently working on assignment at a Private Sector client i.e. a Private Hospital or Service Provider then these changes will not affect you and you may continue to be paid via your PSC and receive gross payments on which you are then responsible for accounting for taxes to HMRC.

### **What next?**

Having looked extensively at various pay rate comparisons, we believe that from the **6<sup>th</sup> April 2017** the most efficient way for you to receive payments will be for you to engage with an Umbrella company who will offer a 100% compliant solution by deducting tax and national insurance contributions on your behalf. Since it is anticipated that most NHS trusts will not allow PSC's to be used from **6<sup>th</sup> of April 2017 onwards** an Umbrella company solution seems to offer you the most cost effective solution.

The good news is that there are many well-known, reliable Umbrella company suppliers in the market already who can make this transition very easy for you and allow you to focus on your work while they transfer you to a compliant solution with minimal disruption.

**What is RIG doing to help?**

We are currently reviewing our preferred list of Umbrella company suppliers and are working very hard to negotiate the best package our preferred list of Umbrella company suppliers will offer you to ensure that you get the best deal in the market when working with us and one of our preferred umbrella company suppliers.

**We will soon be providing you with the list of our pre-vetted, fully compliant preferred Umbrella company suppliers who will be offering you the most competitive rates so that you can retain as much of your hourly rate as possible.**

If you are currently working via a PSC then we strongly advise that you contact your accountant for further advice and keep an eye out for our next update. We welcome any general questions and will do our best to provide you as much support as possible in relation to this matter over the coming weeks.

**Tell your friends....**

Finally, if you have any colleagues or friends who may not be registered with RIG but could benefit from leveraging the size of RIG to get a great deal from pre-vetted and compliant umbrella company solutions then please forward this email on to them and encourage them to get in touch with us ASAP.

[info@riglocums.com](mailto:info@riglocums.com) | 0800 690 6044 | [www.riglocums.com](http://www.riglocums.com)