



CENTRAL SCOTLAND FOREST INDUSTRY REGIONAL EVENT

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RAYMOND'S REMIT

1. Brief round up of reasons why HMRC are on the case.
2. Employed V Self-Employed
3. How will it affect contractors
4. Mechanics of PAYE (go on a course).

- Why are you being “ATTACKED”
- Comparison with SMRA and its history – Where we started and ended up!
- Point 7(b) of Nov ’12 briefing.
- Point 7(c) of Nov ’12 briefing.
- How will it affect you – “the employer”

- HMRC generate a higher take under PAYE/NIC rules from new employments.
- Climate - “Punish the offenders”
 - Publish their names, too!
 - Heavy penalties for non-compliance

BACKGROUND

- “Badges of Trade” and what they mean.
- “Employment Status Indicator” (ESI).
- Personal Service Companies.
- How it will impact on employers.

“BADGES OF TRADE”

CRITICAL AS A DEFENCE

HMRC – KEY POINTS – I) Control (What, Where & When)

II) Right to substitute (B2B V Contract of Service + the ability to engage staff)

III) Provision of (significant) equipment

IV) Financial Risk

V) Basis of payment

VI) Opportunity to Profit

VII) Part and parcel of the organisation

“BADGES OF TRADE” (Cont’d)

CRITICAL AS A DEFENCE

HMRC – KEY POINTS – VIII) Right of Dismissal

IX) Employee Benefits

X) Length of Engagement

XI) Personal Factors

XII) Intention

WHAT IMPACT WILL IT HAVE ON “EMPLOYER” CONTRACTORS

- SELF-EMPLOYED CONTRACTORS BECOME WORKERS (EMPLOYEES)
 - Contracts and Employment Rights
 - Holidays & Sickness
 - Redundancy
 - Health & Safety
 - Working Time Directive
 - Paternity and Maternity Rights
 - Pensions
- PAYE/NIC
 - Cash flow disadvantage (timing and quantum)
 - Benefits-In-Kind
 - HMRC drive collection hard. It appears they will Bankrupt/Liquidate
- Will less take home pay make workers demand more money?
- Ultimately, viability of the contractors within the industry.