

IR35: Individuals affected by the changes

18 JULY 2019

CATEGORY:
[ARTICLE](#)



As an individual who operates through a personal services company, how might you be affected by changes to the IR35 regime?

The new rules could lead to you, as a self-employed contractor or consultant working through a PSC, being reclassified as an employee for tax purposes which in turn could have a significant impact on your income.

The Government has now published its [responses](#) to a recent consultation on the details of the new rules with further information [here](#). Concern is growing that nevertheless there will be little time for individuals, agencies and organisations to prepare. The industry is also concerned about the need for improvements to the existing online assessment tool, which many regard as not fit for purpose.

Consequently some clients of consultants who work through PSCs are proposing to take a 'blanket' approach and classify all their consultants as employees for tax purposes, to avoid ambiguity and the possibility of penalties.

As a result, you should be thinking about the steps you can take to avoid this outcome.

How can we help?

If you are concerned about the effects of the IR35 changes, we can review your current situation to help you with issues such as:

- whether and how you may be affected;
- how to initiate a discussion with your clients about their approach to the new proposals;
- how you can challenge a decision by a client to classify you as employed for tax purposes; and
- how to assess whether continuing to provide your services through a PSC is the best option for you.

Speak to a member of our [employment](#) and [tax](#) teams to find out more.