



08 February 2019

Dear 

Freedom of Information Act 2000 – Information request (ref: FOI_19-013)

Thank you for your request of 15 January 2019 for information relating to the Off-payroll legislation and subsequent letter from HMRC relating to Section 61M Chapter 10 ITEPA 22003 and Regulation 13 Social Security (Miscellaneous Amendments No.) Regulations 2017. For reference, we have copied your request on pages 3-5 of this letter.

On this occasion it is not possible to provide some of the requested information. In line with your rights under section 1(1)(a) of the Act to be informed whether information is held, we confirm that the University does not hold any information relevant to questions 2-4 of your request.

We can provide an answer to your first question, and confirm that the University has no record of receiving the quoted HMRC correspondence. We have contacted HMRC and from their records they cannot confirm if we were issued this letter either. As your subsequent questions are predicated on our receipt of the HMRC letter, having not received this letter, we cannot hold any of the requested information.

We hope this information will meet your requirements, however if you are not satisfied you have the right of appeal. If you wish to appeal, please set out in writing your reasons for appealing and send to the above address. You must appeal within 40 working days of the date of this letter. In line with section 5.3 of the UK Government's Freedom of Information Act Code of Practice, we are not obliged to accept internal reviews after this date.

You also have a subsequent right of appeal to the Information Commissioner's Office. Further information is available on their website:

https://ico.org.uk/Global/contact_us, or by telephone on 0303 123 1113.

Please note that any material over which UEA has copyright is released on the understanding that you will comply with all relevant copyright rules regarding reproduction and/or transmission of the information provided.

Please quote our reference given at the head of this letter in all correspondence.

Yours sincerely

Kirsty McDonald
Information Compliance Assistant
University of East Anglia

Freedom of Information Act 2000 request (FOI_19-013)

The Off-payroll legislation was introduced in Chapter 10 of the Income Tax (Earnings and Pensions) Act 2003, with the new legislation going live from April 6th 2017. This new legislation overrode, in the public sector, the existing Intermediaries Legislation (Chapter 8, ITEPA).

The new legislation is here:

<https://emea01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.legislation.gov.uk%2Fukpga%2F2017%2F10%2Fschedule%2F1%2Fpart%2F2&data=02%7C01%7Cfoi%40uea.ac.uk%7C8b2da4ed64b4452605cc08d67ab10645%7Cc65f8795ba3d43518a070865e5d8f090%7C0%7C1%7C636831298167735404&sdata=YnOLkjCpTYr4kYNZwEqzr63X1TIlfdW%2BDnde0k%2BYjak%3D&reserved=0>

Around July 2018 HMRC sent your body a letter asking for information related to "Checking compliance with the rules from April 2017"

For easy identification, a copy of the letter is as follows:

-- Letter start --

Off Payroll Reform in the Public Sector

Section 61M Chapter 10 ITEPA 2003 and Regulation 13 Social Security (Miscellaneous Amendments No.) Regulations 2017

Following the introduction of chapter 10 ITEPA 2003 and certain amendments to chapter 8 ITEPA 2003 ("IR35"), new rules apply in relation to off-payroll working in the public sector from 6 April 2017. Where individuals work and are paid through their own intermediary, public authorities as defined in the legislation) are now responsible for deciding whether the rules apply. Where a person is assessed as being with the new rules, the public authority agencies and third parties paying the fee for the services of the worker must operate tax, NICs and operate the Apprenticeship Levy.

I would like to check your compliance with the new legislation, including any systems you have introduced to help you decide whether the offpayroll rules should apply when engaging workers via their own intermediary (either directly or via an agency or other labour provider). Such an intermediary will often be a 'personal service company', but as the legislation also applies where a worker is engaged via a partnership or another person, I will use the terms 'PSC or other intermediary' and 'PSC etc' in this letter.

I have listed the information we need below and would be grateful for your response by 31 August 2018. If the amount of information I have requested will make this difficult, please contact me to discuss how this can be managed.

Checking compliance with the rules from April 2017

1. Please describe the steps you took prior to April 2017:

i. to review the off-payroll engagement of PSCs or other intermediaries, to decide whether the off-payroll rules would apply

ii. please include an explanation of any different or additional steps taken in relation to PSCs etc that you engaged via an agency or other labour provider.

2. If different from 1 above, please describe the systems / processes currently in place to decide whether the off-payroll rules apply to PSCs etc, whether you engage

them directly or via an agency or other labour provider. Please provide a copy of any internal guidance / operating procedures for your staff, and comment on:

- i. who is responsible for carrying out the checks and approving decisions*
- ii. whether the Check Employment Status for Tax tool (CEST) is used to inform decisions as to whether the rules apply, and*
- iii. how you ensure compliance where the PSC is engaged via an agency or other labour provider.*

3. For the tax year 2107/2018, if you directly engaged with and paid any worker's own PSC or other intermediary, please tell us:

- i. the total number of such PSCs etc that you engaged directly*
- ii. the number of such PSCs etc that you decided were within the scope of the legislation*
- iii. if different from (ii), the number of such PSCs etc that have been subject to deduction of tax and NIC and included in an RTI submission*
- iv. the number of such PSCs etc that you decided were outside the scope of the legislation*
- v. the names, addresses and a brief description of the worker role / nature of services provided by the PSCs etc within (iv) above.*

4. For the tax year 2017/18, if you were invoiced by any agency or other labour provider for services via a worker's own PSC or other intermediary, please provide the name of each such agency or other labour provider and, or each of them, please tell us:

- i. the total number of such PSCs etc supplied by that agency / labour provider*
- ii. the number of such PSCs etc that you decided were within the scope of the legislation*
- iii. whether you told the agency / labour provider that the rules applied for every PSC etc within (ii) above and if not, please explain why not)*
- iv. the number of such PSCs etc, that you decided were outside the scope of the legislation*
- v. the name, addresses and a brief description of the worker role / nature of services provided by the PSCs etc within iv) above.*

5. Please identify any workers / PSCs etc that you decided were within the off-payroll rules, which have subsequently been engaged / paid via umbrella companies. Do you have any policy in place that encourages the use of umbrella companies for those found to be within the rules?

6. For those not working through umbrella companies, have any workers that previously worked through their own PSC etc subsequently entered into employment contracts with your group?

7. The offpayroll rules do not apply where a public authority has fully contracted out services to a third party e.g. an outsourcing company operating under a contract where the workers do not personally provide their services to the public authority. If you believe this applies to you, please provide an explanation for the affected contract(s).

More information about the check

I enclose factsheet CC/FS1c 'General information about compliance checks into certain large and complex businesses'. Please take time to read this, it gives you

more information about this type of check. I also enclose factsheet CC/FS22 'Sending us electronic records'.

If you have any questions, please contact me using the details shown at the top of this letter.

-- Letter end --

Please can you provide:

- 1. Confirmation as to whether you received the letter*
- 2. Confirmation as to whether you responded to the letter to HMRC.*
- 3 .Confirmation as to whether you provided ANY or all of the information to HMRC.*
- 4. A copy of your response to that letter with the following direction: Instead of the exact answers for 3(v) and 4(v) (which are likely to be confidential) please instead tell us the number of items on those lists.*