



**Rig Healthcare Recruit**  
Helping you to help others

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**Further update on upcoming changes for off payroll working in the public sector and the changes to IR35 Legislation from 6<sup>th</sup> April 2017**

We are writing to further 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 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.

***This is the second 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. In case you missed our first communication on this matter, you can read our first update [here](#).***

*Please note 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.

**What is changing?**

After the 6<sup>th</sup> April 2017 the 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. Furthermore, we are starting to hear from clients that PSC's will not be allowed in the supply chain at all.

***This is a change issued by HMRC and 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 are NHS clients telling us?**

Whether temporary workers are paid via agencies or paid directly by the NHS (or through intermediaries on their behalf via systems like Staff flow and 247 time) we are starting to be informed that:

- i. Most roles will not be approved as outside IR35, therefore gross payment to PSC will not be allowed;
- ii. We are starting to be informed that PSC's, whether paid gross or net will not be allowed in the supply chain;

- iii. Clients are making it very clear that all current rates include all taxes and they will not approve rate changes as a result of this change in legislation being introduced by the government, so headline pay rates where PSC's are allowed will have to change;
- iv. It is likely that existing contracts with PSC's will have to be terminated and restarted with a new compliant payroll solution.

### **What is RIG doing to help you?**

We have been busy reviewing the alternative payment options that are available to workers affected by IR35. We anticipate that the best option for most from **6<sup>th</sup> April 2017** will be to work via a compliant PAYE limited company ("Umbrella"). Working via an Umbrella is likely to offer the highest retention of weekly pay.

We have been talking to Umbrella companies who our workers choose to engage with currently and have been negotiating hard on your behalf to select a preferred list of providers who will

- i. Offer **compliant** Umbrella services
- ii. With comprehensive offerings
- iii. At a flat rate of **£10 per week** (which we believe to be the lowest on offer in the market)

Which combined will help you retain as much of your pay as possible and ensure you are compliant with the new legislation.

Please make sure you quote "**RIG PSL**" when you are talking to them to ensure that you are being offered the exclusively negotiated RIG Rate.

***Important: RIG is not tied to and does not receive any income from any Umbrella service provider, we have made sure all the discounts they offer will go to you through the competitive rate we have negotiated with them on your behalf, this is not true of all agencies!***

Below are the Umbrella service providers RIG have selected with their contact details and a short introduction written in their own words, as preferred suppliers these companies should help you to both protect your earnings from **6<sup>th</sup> April 2017** and ensure that you work via a tax compliant route. We advise all workers who will be affected by the new legislation to contact these companies now in order to understand what services they can offer to you. Remember to make sure that you quote "RIG PSL" when you call them to be offered the exclusively negotiated rate.



**Giant Group**

**Contact: Harry Dhillon**

[www.giantgroup.com](http://www.giantgroup.com)

[harry.dhillon@giantgroup.com](mailto:harry.dhillon@giantgroup.com)

**Tel: 0330 0240946**

*Through giant umbrella, you will have access to an award winning professional employment package with an employee benefits and rewards scheme (including salary sacrifice schemes) that could save you thousands per year. Workers gain employment rights, statutory pay and benefits, holiday and pension provision, same-day payments, salary advances, claimable expenses, dedicated support, 24:7 online personal portal and comprehensive insurances.*



**First Freelance**

[www.firstumbrella.com](http://www.firstumbrella.com)

**Contact: Vicente Alexander**

[vicente.alexander@firstfreelance.com](mailto:vicente.alexander@firstfreelance.com)

**Tel: 0207 148 1580**

*Choosing First Umbrella means you retain the flexibility of contracting with all the security and protection of regular employment! We take care of the hassle that goes along with contracting, leaving you to focus on the projects you love. This includes, amongst others, taking care of the paperwork with the agency, invoicing, credit control, payroll, and making the correct PAYE tax and national insurance deductions and payments to HMRC. Our market-leading employment package for contractors includes: excellent take-home pay, a competitive margin, comprehensive insurance cover, access to expert wealth management support, your own cutting-edge employee cloud portal and great benefits and employee perks!*



**i4 Group**

[www.i4groupuk.com](http://www.i4groupuk.com)

**Contact: Aimee Wolsey**

[aimee.wolsey@i4groupuk.com](mailto:aimee.wolsey@i4groupuk.com)

**Tel: 0203 603 1297**

*i4 Group has been going for over 11 years and has an outstanding team. Candidates have a dedicated account manager, a mobile compactable online portal and over 200 discounts with i4's Employee Benefit Scheme. There are no leaving or joining fee's and you can register within 5 minutes either online or by speaking to a member of i4's sales team over the phone.*



**RACS Group**

[www.racsgroup.com](http://www.racsgroup.com)

**Contact: Paula Moore**

[registrations@racsgroup.com](mailto:registrations@racsgroup.com)

**Tel: 0345 6040571**

*RACS Group's 'umbrella' payroll solution (named RACS Collective Plus) offers contractors both the comfort of fully employed status and total compliance with all Government legislation. Our competitive Low charges per week are irrespective of number of days worked, those who choose this option also have access to a raft of additional rewards available via [www.contractorwallet.com](http://www.contractorwallet.com) including a free subscription to the renowned Perk box employees reward package, discounted professional insurance policies, plus specialist mortgage and financial advice.*



**Eden**

<http://edenoutsource.co.uk/>

**Contact: Richard James**

[rjames@edenoutsource.co.uk](mailto:rjames@edenoutsource.co.uk)

**Tel: 01276 538141**

*With over 15 years trading history, we have the skills, experience and systems needed to run a high quality umbrella service with a very high level of personal service.*

*By engaging us, you will be putting your pay in the hands of experts who will ensure everything is run efficiently and effectively so you can concentrate on your assignment.*

*To find out more about the benefits of using Eden Group including our Privilege scheme (Savings on shopping, holidays, cinema and more), plus leading Health Insurance, Contractor Mortgage advice and Child Care vouchers.*



**CPS Group**

[www.thecpsgroup.co.uk](http://www.thecpsgroup.co.uk)

**Contact: Lynne Anthony**

[lynne@thecpsgroup.co.uk](mailto:lynne@thecpsgroup.co.uk)

**Tel: 0203 582 7958**

*We have 10 years' experience in the umbrella payroll industry. Each locum will have their own account manager and we have an onsite accountant if needed, for advice, help to wind up a limited company or assist with tax returns.*

***Remember! – This is our current list of preferred Umbrella service providers with whom we have secured competitive rates on your behalf. There are many others offering similar services who you can choose to work with, subject to your preferred service provider passing our stringent vetting procedures the choice is ultimately yours.***

**Get your timesheets in as soon as possible!**

The legislation makes it clear **all payments made to workers after 6<sup>th</sup> April 2017** in a role the client decides is caught by these changes requires deduction of employment taxes at source. So what matters is when you are paid **NOT** when you worked.

Your payments may be at risk of being subject to deduction of employment taxes at source from the 1<sup>st</sup> of April even if you submit timesheets for hours worked previously in these roles, and after the 5<sup>th</sup> of April **your payments in such cases will be reduced**. We will be in touch soon with a detailed timetable for this period in order to ensure you have all the information needed in advance to avoid any issues.

**Don't get caught out – Get your timesheets in now!**

We will write to you again soon setting out further details of the changes and what we will be doing to get your timesheets processed and paid before the deadline. This will include various deadlines relating to new contracts and timesheet submissions.

**Please be aware that it will be illegal for us to pay your PSC gross from 6<sup>th</sup> April 2017 irrespective of when you carried out the work.**

If you are currently working at a Trust who pays you directly (or through intermediaries on their behalf) we anticipate that you should be receiving instructions from the Trust or their intermediary soon setting out when they will be making any final gross payments to PSC's and what the alternative payment arrangements will be. We are currently in discussions with the Trusts and the intermediaries who pay workers on their behalf to understand what they are doing and hope to provide you with more specific information in our next update if we have it.

**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@righealthcare.co.uk](mailto:info@righealthcare.co.uk) | 0345 363 1187 | [www.righealthcare.co.uk](http://www.righealthcare.co.uk)