



Rig Healthcare Recruit

Helping you to help others

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

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

RIG Healthcare (which includes 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.

This is the third in a series of updates that we are sending you in the run up to the change 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 two communications on this matter, you can read them both here.

Please note details of how the changes will apply are still being confirmed and clarified by HMRC and NHS Trusts.

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.

HMRC has now released its Employment Status Service (ESS) tool to assist with decisions, which can be accessed at: <https://www.gov.uk/guidance/check-employment-status-for-tax>.

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. In some cases 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 becoming clearer that existing contracts with PSC's will have to be terminated and restarted with a new compliant payroll solution.

Important notice to Temporary workers operating a Personal Services Company (PSC) and working in a UK NHS hospital or Public Sector Client

If you are currently operating a PSC and are engaged and paid by RIG Healthcare/ RIG Locums to work in a UK NHS hospital or Public Sector client, your new contract will begin on the **20th March 2017**, all existing contracts and terms will cease on 19th March and be replaced with new terms with your selected umbrella company from 20th March 2017. Your dedicated recruitment consultant will be in touch shortly to find out your chosen compliant Umbrella choice and from there we will work with you closely to ensure that the transition to your Umbrella provider is as smooth as possible ensuring that there is no disruption to your current assignment.

If you were introduced to the client via RIG but are being paid via a direct engagement model such as Staff Flow or 247 time please see below for further information.

The deadline for receiving final timesheets for gross payments to a PSC is **12pm on the 1st April 2017**. We will be making the last payments to PSC's on the 5th April 2017. Payments after this date will only be made via compliant Umbrella providers. Please remember that if you submit any timesheets **after** this date regardless of the date the work was carried out, the payment will be subject to Employment taxes and may be subject to additional processing fees.

How are Direct Engagement suppliers managing this change?

We know that a large number of healthcare professionals may be working with our clients through direct engagement suppliers such as Staff Flow, 247 Time and Brooksons.

Although the arrangements the direct engagement suppliers make internally and with the NHS hospitals is out of our hands, we still want to help as much as possible therefore for now, we have put together details of the top three direct engagement suppliers in case you need to contact them for information.



STAFFflow

TempRE helpdesk | s@liaisonfs.com | 0800 083 0300



247 Time

www.247time.co.uk | 0333 1014 247



Brooksons

Paul Gatenby | Paul.Gatenby@brookson.co.uk | 07801 340585

If you have any further concerns please feel free to contact your dedicated recruitment consultant.

If you are currently operating a PSC and are paid directly by the Trust via a third party direct engagement arrangement such as Staff flow or 247 time then you will be contacted directly either by the Trust or the third party with details of how they plan to proceed from the 6th April. We believe that some Direct Engagement providers have already started to contact affected healthcare professionals with details of timesheets deadlines and notice of any contractual changes. If you have not had any update from the Trust or providers then please contact your dedicated consultant and they will do their best to assist you.

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 **6th 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 A flat rate of £10 per week (which we believe will 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. 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.

You can view our list of preferred Umbrella providers [here](#)

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!

Get your timesheets in as soon as possible!

The legislation makes it clear **all payments made to workers after 6th 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 1st of April even if you submit timesheets for hours worked previously in these roles, and after the 5th of April **your payments in such cases will be reduced.**

The deadline for receipt of timesheets for PSC workers paid by RIG Healthcare/ RIG Locums is by **12pm on the 1st April 2017**, we will not be able to guarantee to make any gross payments to PSC's where your timesheet is received by us after this deadline or is not received in the agreed format with the correct authorisation.

All payments after this date will be made to your chosen Umbrella provider via our standard weekly payroll.

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.

Please be aware that it will be illegal for us to make a gross payment to your PSC from 6th April 2017 irrespective of when you carried out the work.

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 | 0345 363 1187 | www.righealthcare.co.uk