



# Off-payroll working rules (IR35) Flowchart for contractors

Am I affected by the off-payroll working rules (IR35)?

**Q1: Do you work through your own limited company or other intermediary (this could be a partnership or another individual)?**

Yes

No

You are not affected by the rules – **take no further action**

**Q2: Do you work as a contractor for a client who is a small non-public sector organisation?**

Check the **criteria** at [www.gov.uk/guidance/april-2020-changes-to-off-payroll-working-for-clients](http://www.gov.uk/guidance/april-2020-changes-to-off-payroll-working-for-clients) for information on what a small client is. You have the legal right to ask your client about its size.

No

Yes

You need to follow the **existing rules** at [www.gov.uk/guidance/ir35-what-to-do-if-it-applies](http://www.gov.uk/guidance/ir35-what-to-do-if-it-applies)  
It will remain the responsibility of your limited company or other intermediary to determine whether the off-payroll working rules apply.

**Q3: Is your client a public sector organisation (public authority) impacted by the 2017 reform?**

No

Yes

You are affected by the April 2021 changes to the rules  
Go to next section

You should continue to follow the rules that came in in April 2017. For more information visit <https://www.gov.uk/guidance/off-payroll-working-in-the-public-sector-personal-service-companies>  
In addition, from 6 April 2021:

1. You should receive a 'Status Determination Statement (SDS)' from your client informing you of your employment status for tax purposes.
2. If you disagree with the status determination, you can dispute the decision with them.

## What happens next?

**Q4: Have you provided services through your own limited company or other intermediary on or after 6 April 2021?**

Yes

No

You are not affected by the rules – **take no further action**

**You may be affected by the changes which came into effect on 6 April 2021.**

The off-payroll working rules changed on 6 April. Your client is responsible for determining whether the rules apply (what your employment status for tax purposes should be). For more information visit [www.gov.uk/guidance/april-2020-changes-to-off-payroll-working-for-intermediaries](http://www.gov.uk/guidance/april-2020-changes-to-off-payroll-working-for-intermediaries)

**Find out from your client what your employment status for tax purposes will be.**

Depending on your contract and the working arrangements, your contract will either be determined to be inside the off-payroll working rules or outside the off-payroll working rules. They should provide you with a 'Status Determination Statement' (SDS) if your contract is inside the rules.

**Contract is inside the off-payroll working rules (IR35)**

You will be employed for tax purposes for that contract

The party paying your limited company or other intermediary (usually the fee-payer) **will** deduct Income Tax and Employee National Insurance Contributions (NICs) before they pay for your services. They will also be responsible for paying Employer NICs and apprenticeship levy, if relevant.

You may still need to submit a tax return, but relief is available on the tax already paid.

**Contract is outside the off-payroll working rules (IR35)**

You will be self-employed for tax purposes for that contract

Your limited company or other intermediary will continue to be responsible for paying the tax due. The party paying your limited company or other intermediary (usually the fee-payer) **will not** deduct tax and National Insurance Contributions (NICs) before they pay for your services.

If you disagree with the status determination by your client, you can dispute the decision with them. If you want to check your status determination, you can use the **Check Employment Status for Tax (CEST)** tool to help you. For more information visit [www.gov.uk/guidance/check-employment-status-for-tax](http://www.gov.uk/guidance/check-employment-status-for-tax)

Know the facts at [www.gov.uk/topic/business-tax/ir35](http://www.gov.uk/topic/business-tax/ir35)