

## **Technical consultation on draft secondary legislation for off-payroll working in the public sector: reform of the intermediaries legislation**

### **Introduction**

1. As announced at Autumn Statement 2016, the government will legislate to reform the intermediaries legislation (off-payroll rules) where the worker provides services in the public sector.
2. Responsibility for operating the off-payroll working rules, and deducting any tax and National Insurance Contributions (NICs) due, will move to the public sector body, agency or other third party paying an individual's personal service company (PSC) or other intermediary. The change will come into effect from 6 April 2017 and apply across the UK.
3. On 5 December 2016, the government published [draft legislation for Finance Bill 2017](#) to reform the intermediaries legislation.
4. The draft secondary legislation, the Social Security (Miscellaneous Amendments) Regulations 2017, makes similar provisions for NICs.

### **Who should read this?**

5. The operation of NICs for off-payroll working, will be of interest to:
  - public bodies who hire off payroll workers (particularly where the workers are employed through their own company)
  - public sector tax managers, payroll managers, human resources managers and procurement managers
  - agencies and third parties who supply workers to the public sector (particularly where the workers are employed through their own company)
  - workers who provide their services to a public body through an intermediary (usually their own company)

### **The Social Security (Miscellaneous Amendments) Regulations 2017 – Draft**

6. These draft regulations make a number of consequential amendments and insert new regulations into the Social Security (Intermediaries) Regulations 2000, and also make consequential amendments to the Social Security (Contributions) Regulations 2001.
7. The consequential amendments and new regulations in draft reflect draft provisions to be inserted into the Income Tax (Earnings and Pensions) Act 2003 by virtue of Finance Bill 2017<sup>1</sup>. The explanatory note provided alongside the draft regulations provide further detail about the regulations.
8. The consultation invites interested parties to comment on the technical detail of the draft legislation. Any comments on the draft regulations should be sent to:  
[off-payroll.consultation@hmrc.gsi.gov.uk](mailto:off-payroll.consultation@hmrc.gsi.gov.uk)

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<sup>1</sup> Clause 1 and Schedule 1, [Draft Provisions for Finance Bill 2017](#)

9. The draft regulations are published at:

<https://www.gov.uk/government/collections/hm-revenue-and-customs-draft-legislation>

10. The consultation will run for 3 weeks commencing on 27 January 2017 and ending on 17 February 2017.

### **Next steps**

11. Responses to this technical consultation will be reviewed and the draft regulations will be revised as appropriate before they are laid before Parliament.

On request this document can be produced in Welsh and alternate formats including large print, audio and Braille