IR35 IN THE PUBLIC SECTOR
WHAT IS IR35?

IR35 is UK Tax Law regarding the Employment Tax and National Insurance contributions (PAYE) for individuals working through a Personal Service Company (PSC)

WHAT HAS CHANGED?

Why do I need to do this?
On April 6th 2017, HMRC made changes to the existing IR35 Legislation which affects the whole of the public sector including the NHS. HMRC have changed the legislation to make it the responsibility of the Public Sector body (in this case the NHS) to ensure that the appropriate Employment taxes and National Insurance are deducted and paid. Previously, this was the responsibility of the PSC. Failing to meet this responsibility will likely result in a bill to the Trust for the underpaid Tax and National Insurance contributions alongside potential financial penalties and interest.

We encourage people looking to work non-permanent shifts at our Trust to do their own research on the changes. A good place to start is: https://www.gov.uk/government/publications/off-payroll-working-in-the-public-sector-reform-of-the-intermediaries-legislation-technical-note.

Alternatively, where a locum is adamant to continue to work via their own PSC, Brookson Legal Services can help to educate the locum around the IR35 changes and their responsibilities.

WHAT DOES THIS MEAN FOR LOCUMS?

What does this mean for me?
After reviewing its locum roles, the Trust has determined that the position you fulfil is caught inside IR35 and is therefore required to ensure that the appropriate employment Tax and National Insurance deductions are made when working for the Trust in a non-permanent capacity.

THE CHANGE IN PROCESS?

What are the Trust doing about this?
After a careful selection process, the Trust has engaged one of the leading Accountancy and Legal Services providers to the NHS, Brookson Direct (Brookson) to administer this on its behalf. Brookson will be responsible for making payments to you after deductions of tax and national insurance through their Medical Employment business.

Brookson will not make any deductions from the salary payment which they will pay to you, other than statutory deductions which employers are obliged to make. These deductions include Employer’s National Insurance Contributions which are included in the total framework rate which the Trust has agreed to pay you for the shifts you undertake with them. Your take home pay will therefore be the same as it would be if the Trust paid your salary directly to you.
WHAT DOES THE IR35 CHANGE MEAN?

Why does IR35 apply now?
Prior to April 2017, the locum was required to comply with IR35. However, as a lot of locums didn't manage this very well, HMRC moved this obligation to the client, the NHS Trust in this instance. Where the Trust consider the placement to be caught by IR35 (like this one), this is likely to mean that it was also caught by IR35 before April 2017.

If IR35 wasn't applied properly by the locum before April 2017, there is a risk that HMRC will ask for the unpaid tax and National Insurance (and penalties and interest) which should have been paid had IR35 been applied correctly. If you are in this position, you might want to take advice on how best to limit your liability for anything before April 2017. Brookson can help with this if you require.

BENEFITS TO THE TRUST

Why are you doing this?
Brookson are the Trust's chosen provider for Direct Engagement services. This allows the Trust to meet its legal obligations under IR35 quickly and efficiently and manage its much valued off payroll workforce more effectively. Brookson's medical employment business integrates with existing technology used by the Trust to ensure minimal disruption to our workers and our business.

The service introduces technology so we can appoint locums, approve timesheets and send payments to locums quicker and easier; whilst providing both the trust and locums with a full audit trail of work done and payments made. This supports the Trust's cost saving initiatives and enables us to achieve significant savings which can be invested directly back into the provision of care for our patients.

WHAT DO LOCUMS/AHPS NEED TO DO

What do I need to do?
To work non-permanent shifts at our Trust, we require you to join Brookson Medical Services. In order for Brookson to be able to pay you, you will be required to provide Brookson with your details to allow them to set up a payroll record.

To make this easier for you Brookson have an online registration form which can be found here: https://welcome.brookson.co.uk/join/medical-joining-form/ or you're welcome to call the Brookson team between 8am and 6pm from Monday to Friday on 0345 058 1499.
PAYMENT CYCLE

When do I get paid?
Brookson operate a same day payment Service Level Agreement. This means that they will pay you on the same day as they receive monies for you from the Trust. This is ordinarily the Friday in the week after your timesheet has been submitted and approved providing that you have completed your timesheet and submitted it for authorisation within the timescales provided.

PAYMENT FOR LOCUMS/AHPS

How much will I get paid?
Brookson will deduct and remit the appropriate employment Tax and National Insurance to HMRC according to your individual circumstances. This will take in to account information such as your age and tax code. Brookson will provide you an emailed payslip and an SMS (text) confirmation for each payment you receive.

SUMMARY OF BENEFITS TO LOCUMS/AHPS

What are the upsides for me?
We recognise that the change made by HMRC in April 2017 means your take-home pay for shifts worked on a non-permanent basis may be effected. However, that is a central government initiative and we must comply. We have assessed that the partnership with Brookson provides the best way of working in the new-world for both the Trust and for you. In summary:

FOR THE WORKER

- Continue to work non-permanent shifts at our Trust and other Trusts by joining Brookson Medical Services
- Finances are taken care of to retain flexibility
- Working with an agency to find you shifts at any trusts will allow you to be paid by Brookson
- When you are being paid, all required tax deductions are being made accurately
- Unlike others, Brookson does not retain any money from payments for Direct Engagement medical services
- There will be no change in the frequency of your pay

FOR THE TRUST

- The Trust works with Brookson to meet overall budget targets without the need to reduce patient care
- Brookson removes risks associated with the IR35 changes
- No additional costs to make appropriate tax deductions on your behalf
QUICK READ SUMMARY

+ IR35 is UK Tax Law regarding the Employment Tax and National Insurance contributions (PAYE) for individuals working through a Personal Service Company (PSC)

+ Pre April 6th 2017, the financial risks associated to the underpayment of tax sat with the PSC

+ In the Public Sector since April 6th 2017 the risk sits with the Public Sector body (the NHS Trust). You should do your own research into this.

+ The Trust can no-longer risk working with the PSCs that fall inside IR35 (which according to an independent review is the vast majority engaged by us in recent times)

+ Our partnership with Brookson Direct (Brookson) means you can continue to work non-permanent shifts at our Trust as required deductions are made at the point you are paid

+ Under this model the Trust also makes important savings in the form of VAT and we do not need to expand our back-office.

+ In order to get paid for the non-permanent shifts at our Trust you need to join Brookson Medical Services via: https://welcome.brookson.co.uk/join/medical-joining-form/ or you’re welcome to call the Brookson team between 8am and 6pm from Monday to Friday on 0345 058 1499.

+ Brookson will not charge you anything to join or to be a member of Brookson Medical Services.

+ Your pay frequency is not impacted.

+ You will get access to shifts at our Trust over any worker who does not work via Brookson Medical Services. In the coming, we will only be engaging non-permanent if they are willing to work via Brookson Medical Services.