

IR35 changes delayed to April 2021 – statement received from HMRC 19.03.20

REC received the following statement from HMRC on 19 March 2020. They asked us to share it with members on their behalf.

“The government has announced it is delaying the reforms to the off-payroll working rules (IR35) from 6 April 2020 to 6 April 2021.

This deferral has been announced in response to the ongoing spread of Covid-19, to help businesses and individuals deal with the economic impacts of the pandemic. This is a deferral of the introduction of the reforms, not a cancellation.

The Government remains committed to introducing this policy to ensure that people working like employees, but through their own limited company, pay broadly the same tax as individuals who are employed directly. The policy will be introduced on 6 April 2021, representing a 12-month delay.

Due to this delay we will be pausing the customer support and education programme that HMRC has been delivering to help customers get ready. We will resume education and support activities at the appropriate time ahead of the reform in April 2021.

This deferral means that the current off-payroll working rules in the public sector, introduced in 2017 will continue to operate as they do now. Public authorities will not need to implement the changes on status determination statements or implement status disagreement processes until April 2021. Customers can refer to existing guidance on the current rules for public authorities for more information: <https://www.gov.uk/guidance/off-payroll-working-in-the-public-sector-reform-of-intermediaries-legislation>.

HMRC developed a wide range of guidance and support to help customers prepare for the changes, which are now delayed. These products will be updated shortly and remain available to access to help you prepare for the changes due in April 2021.”