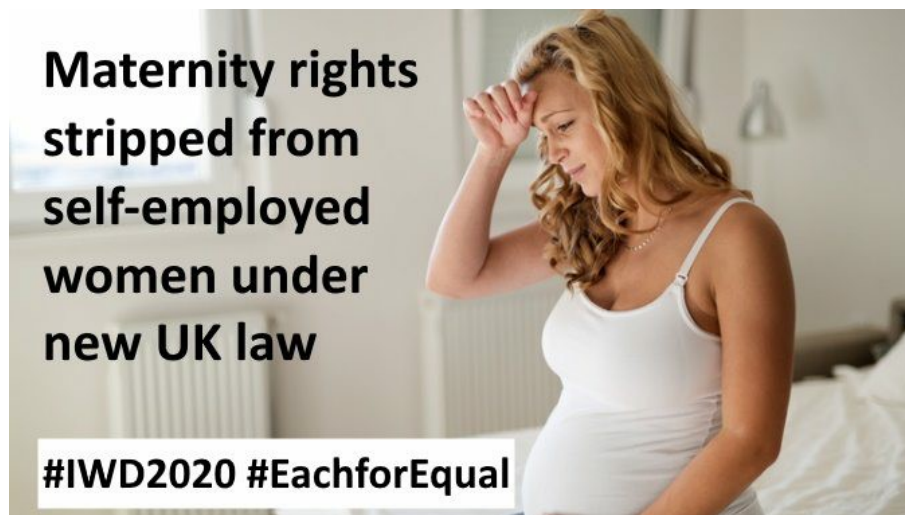


Maternity rights to be stripped from self-employed women under new Conservative law



Ten's of thousands of female self-employed professionals will have little to celebrate on International Women's Day this Sunday, [due to new legislation from April 2020](#) that will remove the current maternity rights of self-employed female workers.

This is as a result of an ill-thought through and rushed tax law which is designed to classify self-employed freelancers as "deemed employees", but which then proceeds to tax them like employees but without providing them with the same rights as employees.

Currently most professional freelancers operate using their own limited companies, working for various clients on a project by project basis. After expenses and paying themselves a modest salary, they make profits which are subject to corporation tax – and in some cases then withdraw money from the company as dividends, which is subject to income tax.

And similar to sole traders, they pay national insurance contributions, which then entitles them to claim for statutory maternity pay when they take time off to have a baby.

But, under the design of the new rules, their clients are able to classify them as "deemed employees" and make national insurance deductions and income tax at source. But, in this instance, no employment rights at all are conferred on the worker.

Ironically, this draconian "zero rights employment" status is being introduced by the Treasury and HMRC under the guise of making the system fairer. Sources say that HMRC claim they are apparently working on this issue, but they've had three years to fix the issue since the public sector rules came in in April 2017. So, don't expect this to be fixed by the Budget in four days time. Besides, the software developers typically need 12-18 months to incorporate changes of this nature.

Classifying pregnant women as "deemed employees" and at the same time stripping them of their rights to maternity pay is perverse and grossly unfair. One thing that this means is that women who have the choice of whether to start taking their maternity leave before or after April 5th would probably be well advised to start taking it before then.

And this practice is likely to be widespread, based on a [recent survey of 12,237 contractors conducted by contracting authority ContractorCalculator](#), to understand the consequences of the Conservative Party's new tax on the self-employed, colloquially known as the Off-Payroll Tax.

The findings confirm that longstanding career livelihoods are being decimated by widespread non-compliance amongst firms who are confused about new rules to be imposed. Amongst the confusion, the survey indicated that just 27% of contractors are likely to be able to continue working as they were before, leaving the remaining 73% classified as "deemed employees" whilst being stripped of the rights they currently receive under their current set-up.

Dave Chaplin, CEO of ContractorCalculator said: "Self-employed women should be sipping champagne on Sunday and celebrating their achievements, but this new Conservative policy which strips them of their maternity rights instead just leaves a nasty taste in the mouth.

"It's abhorrent that after the [excellent Good Work Plan by Matthew Taylor](#) that the Government are enacting steps that take us backwards and which discriminates against women. The entire policy is flawed and must be cancelled."

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