

Updated IR35 factsheet launched to debunk more Government falsehoods



ContractorCalculator published its [updated IR35 factsheet](#) today. The factsheet provides an accurate depiction of the impact of Off-Payroll rules on the public sector, and a candid summary of what the private sector can expect should controversial plans to extend the rules in April 2020 go ahead.

Its release was prompted by the publication of a similar document by the Treasury in the immediate aftermath of [this month's Budget announcement](#). Despite being [inundated throughout the Off-Payroll consultation process](#) with arguments and evidence opposing the proposals, Government's position evidently hasn't changed.

"For Government to acknowledge the devastation that Off-Payroll has caused in the public sector would surely destroy its hopes of legislating the rules in the private sector. But to publish documents which downplay the impact, and in some cases deliberately mislead those who will likely be affected in the private sector, is unconscionable," notes ContractorCalculator CEO Dave Chaplin.

"This is why we felt compelled to set the record straight once again. Many of the Treasury's 'facts' are baseless figures, some are still empty promises and others are outright lies. Our facts are undisputable, but Government chooses to ignore many of them because they don't suit the taxman's IR35 narrative."

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IR35 factsheet: 'Showing the taxman's claims for what they are worth'

While the Treasury's IR35 factsheet contains multiple claims that have already been debunked by the contracting sector, ContractorCalculator's factsheet is all substantiated, drawing on a broad body of evidence, including:

- A survey of more than 1,500 contractors by ContractorCalculator
- Findings gathered from 1,494 recruiters by the Association of Professional Staffing Companies (APSCo)
- A survey of intermediaries supporting more than 33,500 public sector workers by the Freelancer and Contractor Services Association (FCSA)
- A Chartered Institute of Personnel and Development (CIPD) survey of 115 public sector hiring managers
- A HMRC-commissioned IFF Research report into the public sector impact

- A comprehensive analysis of more than 30 Off-Payroll consultation responses
- Consultation representations by Ernst & Young, FCSA and Qdos Contractor
- Multiple investigative journalism items from ContractorCalculator and The Times.

“HMRC’s tactic is clearly to misrepresent the Off-Payroll rules to push further change through Parliament,” Chaplin continues. “Our compilation of facts and figures – including those gathered from HMRC’s own research – show the taxman’s claims for what they are worth, which is very little.”

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Government sending mixed messages to private sector

In addition to its spurious claims about IR35 and Off-Payroll in the public sector, it seems Government is already struggling to get its story straight with its private sector plans.

Though HMRC claims within its summary of consultation responses that ‘over 95% of businesses will not need to apply the reform’, the Treasury’s factsheet states it is actually ‘the smallest 1.5m businesses’ that will be unaffected. This means that potentially roughly 4.2m of the UK’s 5.7m businesses could be impacted by the rules.

“It doesn’t take a Government department to work out that 1.5m isn’t 95% of 5.7m,” comments Chaplin. “Unfortunately, we have come to expect this underhandedness from HMRC. Nonetheless, it is of grave concern that we are already receiving mixed messages.”

There is still time to secure the future of the flexible workforce and stop Government from acting upon HMRC’s misrepresentations. Please share this factsheet with your colleagues, clients and local MPs to prevent further catastrophic change.

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Join our IR35 campaign

ContractorCalculator is actively campaigning to put a stop to Governments plans to expand the public sector IR35 reforms to the private sector.

To support the campaign against IR35, please [subscribe to our mailing list](#), and help raise awareness by following the instructions set out on [our IR35 campaign page](#). Please follow or connect with our [CEO Dave Chaplin on LinkedIn](#). Dave regularly posts about the IR35 reforms and is an essential contact to have for keeping abreast of the latest news surrounding the legislation.

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