

# Don't be guilty of false self-employment

**From the 6 April 2014, HMRC has introduced new legislation around the false self-employment status of temporary workers.**

The new legislation is aimed at preventing Companies from registering workers as self-employed as a way of avoiding taxes and employer obligations when supplied directly or through intermediaries.

If you are the Agency or Company that has the contract with the ultimate client, you must prove that the temporary worker is self-employed by producing evidence that they are not subject to supervision, direction or control. HMRC will make the presumption that there is Control over a worker. If you cannot produce this evidence, you will be responsible for all Tax and NI contributions of that worker as if they were employed PAYE. If an intermediary is involved and unable to provide the required evidence, then HMRC may pass the tax liability along the chain.

Provisions are being put in place to target Agencies\Companies who deliberately avoid paying the appropriate payments for their temporary workers. If a worker is found to be falsely self-employed, you will have no legal defence other than when fraud is involved (e.g. the intermediary told you the worker was not being engaged as self-employed).

From 2015/16, you will also have to submit quarterly reports to HMRC of all gross payments made to workers and intermediaries.

At EdenGroup we make compliance with the new legislation easy. We employ the worker under PAYE taking on all the responsibility for HMRC payments and statutory obligations.

Our umbrella service also releases you from the administrative burden of RTI reporting and Pension auto-enrolment.

**If you are unsure how the false self-employment legislation affects you, please call EdenGroup for a no obligation chat.**