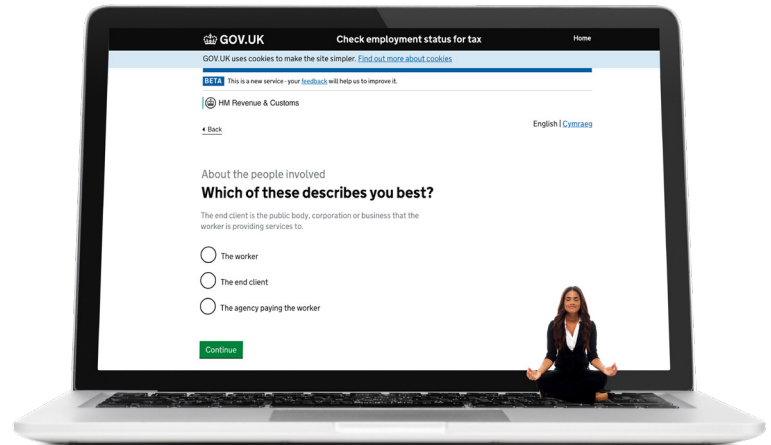




HMRC launch new CEST tool



what is CEST?

The Check Employment Status for Tax is a digital tool created by HMRC. The tool was created in March 2017 to support the public sector roll out of the Off-payroll working rules.

when the tool should be used

When agreeing a contract role, the CEST tool can be used by hirers to determine the employment status of a worker. Alternatively, a worker can use this tool to find out whether HMRC would consider them to be self-employed or not.

To use the tool, hirers will need the following information: details of the contract, the workers' responsibilities, who decides what work needs doing, who decides how, when and where the work is done and how the worker will be paid.



what's changed?

Since the news of the private sector roll out of the Off-payroll working rules were announced, there has been a lot of concern surrounding the CEST tool and how reliable it actually is. Many said CEST was not fit for purpose and did not provide a definitive determination if there was a grey area or if the criteria were more challenging.

On the back of this feedback, HMRC have conducted a full review of the tool and released an updated version. There have been around 30 new questions added to the tool to help out with those less straight forward cases. HMRC have also tested the new version with more than 300 stakeholders who were asked to use it and feedback.

The employment status determination produced by the CEST tool will be the only decision that will be upheld by HMRC so it's important that this tool is used by hirers in the first instance.



April 2020 deadline is fast approaching

The IR35 Off-payroll working rules will be being introduced into the private sector in April 2020. From this date it'll be the hirer's responsibility to make the employment status determination and they'll bear the risk if they get it wrong.

As both hirers and agencies prepare for April, workers and their intermediaries will be looking for an alternative payroll solution. An umbrella or professional employment (PEO) solution will be ideal for all workers and at **giant** we provide both of these services. In addition, our solution to remove the Off-payroll working legislation risk from hirers when continuing to engage limited companies, is **giant** IR35 fee payer where we become the fee payer. We have over a decade of experience of sitting in the contract chain between agencies and PSCs for clients such as Barclays, AMS, Cielo and more.

We have a number of whitepapers available on our website that will help you prepare for IR35. They are completely free to download and go into more detail about the risks associated and solutions available <https://www.giantgroup.com/news>.



about giant

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We invest heavily in our cloud-based software which ranges from candidate sourcing and onboarding through to timesheet management, billing and payroll. Our support services include candidate screening, employment solutions and legislative risk management; whilst at our specialist division, **giant finance+**, we provide tailored funding, software and support services for start-up to medium sized recruitment agencies.

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