

## **Please prepare for a potential change to off-payroll working compliance checks**

The government is proposing a potential change in policy that may affect your off-payroll working compliance check.

We're writing to let you know about this potential change in the law, to give you time to decide whether you can benefit from it.

### **What is the potential change?**

Currently, when HMRC find that a client has made a mistake in applying the off-payroll working rules, we assess how much the deemed employer owes in Income Tax and National Insurance contributions (NICs).

If the potential change to off-payroll working compliance checks becomes law we can subsequently take into account, or 'set-off', the taxes the worker or their intermediary have already paid against the amount the deemed employer owes.

If the change becomes law, we expect it to apply to Income Tax and NICs we assess on or after 6 April 2024, from off-payroll working errors in payments since 6 April 2017.

### **What this could mean for you**

If this change goes ahead, you may be able to pause the settlement of your open off-payroll working compliance check until after 6 April 2024.

We would only consider a pause if:

- your compliance check has reached settlement, and:
  - you've acknowledged in writing an error in applying the off-payroll working rules
  - the deemed employer's gross liability, including any penalty, has been agreed.
  
- you give us the information we need to work out a set-off. This is:
  - the Personal Service Company's name and Company Registration Number
  - the worker's full name or National Insurance Number.

### **What happens next**

We'll carry on with our compliance check as normal.

If you meet the above conditions when we're ready to agree a settlement, we'll ask you if you want to pause. If we agree to pause, we'll contact you again after 6 April 2024 to settle the compliance check.

You don't have to pause your settlement if you don't want to. If you do choose to pause, we'd advise you to make a payment on account for the full amount, to stop statutory interest building up.

### **More information**

For more information about the potential change, go to GOV.UK and search 'off payroll working compliance consultation'. The online guidance will be updated when there are any developments relating to the proposed change in policy.

We may need to write to you again in certain circumstances. For example, if we've almost reached a legal deadline, such as the statutory time limit for assessment.

We've sent a copy of this letter to your tax adviser, XXXXXX. You may want to discuss this with them.

**You can get help from HMRC if you need extra support, for example if you need information in a different format or need help filling in forms. Visit [GOV.UK](https://www.gov.uk) and search 'Get help from HMRC if you need extra support'.**