



## OFF-PAYROLL RULES FOR THE PRIVATE SECTOR FROM APRIL 2020

The government has published draft legislation for the next Finance Bill including the rules for off-payroll working in the private sector. The new rules will apply from April 2020 and the effect of these rules, if they apply to intermediaries, typically Personal Service Companies (PSC), will be:

- The medium or large business (or an agency paying the PSC) will calculate a 'deemed payment' based on the fees the PSC has charged for the services of the individual.
- Generally, the entity that pays the PSC for the services must deduct PAYE and employee National Insurance contributions (NICs) as if the deemed payment is a salary paid to an employee.
- The paying entity will have to pay to HMRC not only the PAYE and NICs deducted from the deemed payment but also employer NICs on the deemed payment.
- The net amount received by the PSC can be passed onto the individual without the company deducting any further PAYE and NICs.

Please contact your Rothmans branch for advice on how these changes will impact your business.

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