

STATUS DETERMINATION STATEMENT ("SDS")

In this SDS:

- (1) The Client means <<insert name of Client>> whose registered office address is at <<insert registered office address of Client>>;
- (2) The Worker means <<insert name of Worker>> of <<insert address of Worker>>;
- (3) The Company means <<insert name of Company>> whose registered office address is at <<insert registered office address of Company>>.

This SDS relates to the engagement of the Worker by the Client for a particular assignment of work ("the engagement") and the assignment of the Worker to the Client for the purpose of that engagement. In this engagement, apart from the Company and the Worker, there are no intermediaries between the Client and the Worker.

¹The Client is not classed as a small company for the purposes of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") and therefore has to determine in accordance with Part 2 of ITEPA whether the Worker falls inside or outside of IR35 legislation.

Accordingly, this SDS records that the Worker is engaged by the Client and provides this record to the relevant parties.

The engagement will start on <<insert start date>> and end on <<insert date>>.

This SDS is issued by the Client to the Worker and the Company.

This SDS was produced with the Simple Employment Status Tool (CEST), the output of which is attached to this SDS.

If you wish to dispute the result of the determination set out in this SDS, please contact <<insert name of person to contact>> by email at <<insert email address>>.

In reaching this determination, the determination has taken into account a number of factors, namely:

[there is a requirement for personal service]

[there is mutuality of obligation]

[there is any supervision, control or direction]

[the Worker is part and parcel of the business]

[the Company is in business on its own account]

[the Company takes any financial risk]

[add any other factors]

This SDS has been completed on <<insert date>>

<<insert name>>

(signed)

¹ Note that if the Client is a "small" company, it may be exempt from IR35.

on behalf of the Client.

EITHER:

[The Client has determined that

a) the Worker would be an employee of the Client;

b) the engagement falls within the scope of the Client's business.

The Worker is therefore employed by the Client and the money paid to the Company must be subject to Tax.

Reasons

²The Client has arrived at its determination for the following reasons:

Personal service

[The Client retains a right of veto over the selection of the Worker for the engagement. (This means that the Client has an unrestricted right to send a substitute.)]

[The Client requires personal service from the Worker for the duration of the engagement due to their specific established external processes.]

Mutuality of obligation

[There is an obligation on the Client to engage the Worker and an obligation on the Worker to carry out the work.]

Control and direction

[The Client can, during the engagement, change the Worker's assignments or other aspects of the work. (The Client therefore has control and direction.)]

[As part of the system of work adopted by the Client, the Worker will be engaged and the consequent work will be prioritised and allocated to the Worker by a senior manager. The senior manager will to a degree oversee the Worker, giving some instructions, guidance or advice as to how the work should be carried out. (This means that there is supervision, control and direction in terms of work.)]

[Throughout the engagement the Worker will be part of a [development] team. Close supervision of the Worker to work from the same location and similar hours as the rest of the team indicates that there is control and direction.)]

[The Worker will be expected to follow the Client's processes and checklists in carrying out work under the engagement. (This means that there will be some control and direction from the Client in terms of how the work is carried out.)]

² Each of the reasons listed are illustrative examples. You will need to consider whether to include it and, if so, exactly what should be stated.

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whether other reasons should be added.

[In the Worker's project manager/contract manager will be expected to follow established project governance and control and direction from the Client.]

Part and parcel

[The Client has employees that undertake practices that are expected to be part of the Client is adding to its own existing]

[The Worker will be undertaking a significant much part and parcel of its organisation's important organisational priorities and ways of working. (This demonstrates on and the way that they carry out)]

[The Worker will be expected to remain part indicates that they will be part and parcel]

Equipment

[The Worker will not be providing a significant]

Financial risk

[There is no realistic financial risk in carrying out the engagement. They will be paid a fee and are not required to invest in any equipment]

OR

[The Client has determined that]

a) the Worker would not be an employee of the Client; and

b) the engagement is outside of the scope of the Client's business.

The Worker is therefore self-employed and the money paid to the Company can be paid gross.

Reasons

³The Client has arrived at its determination for the following reasons:

Personal service

[The Company has a genuine need for the Worker as a specific individual worker. (This is crucial evidence used by HMRC in determining IR35)]

[The Company would pay any substitute worker engaged by the Company must be paid by the Company.]

³ Each of the reasons listed are illustrative examples. You will need to consider whether to include it and, if so, exactly what should be stated.

Worker will be expected to follow established project governance and control and direction from the Client.] This means that there will be a significant part of their work. (This demonstrates on and the way that they carry out)]

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Worker for the Client and so will be very much part and parcel of its organisation's important organisational priorities and ways of working. (This demonstrates on and the way that they carry out)]

Worker will be expected to remain part indicates that they will be part and parcel]

Worker will not be providing a significant]

There is no realistic financial risk in carrying out the engagement. They will be paid a fee and are not required to invest in any equipment]

Worker if engaged directly by the Client;

s. This means the money paid to the Company can be paid gross. Tax and NI at source.

reasons:

a substitute worker and it is the Worker as a specific individual worker. (This is crucial evidence used by HMRC in determining IR35)]

Any substitute worker engaged by the Company must be paid by the Company.]

Each of the reasons listed are illustrative examples. You will need to consider whether to include it and, if so, exactly what should be stated.

[The Company can engage help in the provision of work. (This helps to demonstrate a lack of a re service.)]

Control and direction

[The Company is not subject to on monitoring or supervision. (This is a strong indicator to self-employment)]

[The Company is able to determine work and where the work is carried out under the engagement. (This i strates that, as an independent specialist, the Company can deter working. This is a strong pointer towards genuine self-employment)]

[The Client does not have any em like the work that the Company has been engaged to carry out. (T e Company has been engaged for the specialist services it can provide)]

Equipment

[The Worker will be providing their out the work except where it is not practicable for it to do so, e.g. p (which is provided by the Client) is needed to give access to Client]

Financial risk

[The Client is not paying for training vital to the work to be carried out under the engagement. (This is po nstrate that the Company is operating a genuine business.)]

[The Company would correct defe ny's own cost and in its own time. (This shows that it is taking a finan ion that it is operating a genuine business.)]

[The Company has corrected fault and at its own cost, during its contract with the Client. (This dem of financial risk.)]

Business on own account

[The Company holds business ins indicator of the Company being in business on its own account and i t is exposed to a financial risk.)]

[The Company has undertaken mu rs. (This is a strong pointer towards genuine self-employment tractor, is not reliant on one source of income, but carries out v is is much more indicative of a genuine business.)]]

[The Company operates as a norm a company website, letterheads, business cards, a registered office and VAT registration.]

Attached to the CES is a copy of the TEST

<<attach CES to the CES above>>