

STATUS DETERMINATION ("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 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 assignment, apart from the Company, 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 does not have 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 Client has determined the status of the Worker and provides this record to the relevant parties.

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

This SDS is issued by the Client to <<insert name of Worker>> company.

This SDS was produced with the status determination tool (CEST), the output of which is attached to this SDS.

If you wish to dispute the result of the determination recorded in this SDS, please contact <<insert name of Client>> by email at <<insert email address of Client>>

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

[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.

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on behalf of the Client.

EITHER:

[The Client has determined that

a) the Worker would be an employee and

b) the engagement falls within I

The Worker is therefore employed by the Client. The Client 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 Worker's substitute for the Worker for the duration of 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 existing business processes.]

Mutuality of obligation

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

Control and direction

[The Client can, during the engagement, assign the Worker to other assignments or other aspects of the Client's business to change. (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 control and direction will be prioritised and allocated to the Worker's senior manager. The senior manager will to a degree oversee the Worker, giving some instructions, guidance or advice as to how the Worker should carry out the work. (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 by the senior manager 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 Worker carries out the work.)]

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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engaged directly by the Client;

is means the money paid to the

reasons:

tute for the Worker for the duration of the engagement. (This means that the Client has an unrestricted right to send a substitute.)]

the duration of the engagement due to their specific established existing business processes.]

Worker and an obligation on the Worker to carry out the work.]

s skills and expertise on other assignments or other aspects of the Client's organisation's priorities to change. (The Client therefore has control and direction.)]

project on which the Worker will be engaged and the consequent control and direction will be prioritised and allocated to the Worker's senior manager. The senior manager will to a degree oversee the Worker, giving some instructions, guidance or advice as to how the Worker should carry out the work. (This means that there is supervision, control and direction in terms of work.)]

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[In the Worker’s project manager/established project governance and control and direction from the Client.]

...y will be expected to follow This means that there will be ...st deliver their work.]]

Part and parcel

[The Client has employees that unpractices that are expected to be of the Client is adding to its own exist

...r to this one with working ...s that throughout the engagement ...city.))]

[The Worker will be undertaking a much part and parcel of its organis important organisational priorities and ways of working. (This demon on and the way that they carry out

...r the Client and so will be very ...eed to identify and respond to ...o and promote the Client’s culture ...ent as to what the Worker works

[The Worker will be expected to re indicates that they will be part and

...s part of their work. (This ...anisation.))]

Equipment

[The Worker will not be providing a

...nt to carry out the work.]

Financial risk

[There is no realistic financial risk engagement. They will be paid a c required to invest in any equipment

...ess in carrying out the ...penses will be covered and not ...er to carry out their work.]]

OR

[The Client has determined that

- a) the Worker would not be an e Client; and**
- b) the engagement is outside of**

...er if engaged directly by the

The Worker is therefore self-em to the Company can be paid gro

...s. This means the money paid ...o Tax and NI at source.

Reasons

³The Client has arrived at its deter

...y reasons:

Personal service

[The Company has a genuine unre Company that has been engaged individual worker. (This is crucial v used by HMRC in determining IR3

...a substitute worker and it is the ...er than the Worker as a specific ...s one of the most important tests

[The Company would pay any sub by the Company must be paid by

...Any substitute worker engaged ...iewed as genuine by HMRC.))]

³ Each of the reasons listed are illustrative exa include it and, if so, exactly what should be sta

...ason, you will need to consider whether to ...hether other reasons should be added.

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[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 determin k 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 ke the work that the Company has been engaged to carry out. (T e Company has been engaged for the specialist services it can provid]

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 trainin 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 contractor, 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.]

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Attach EST

<<attach CES SDS above>>