

# contracting and IR35



**what's happening and what the future holds**

# contracting is changing

After 20 years of failing to enforce IR35, government has signalled the end of limited companies (PSCs) for contracting. Under new laws, from April 2021 end user clients are responsible for the IR35 status of all contractors working for them.

HMRC will also be able to pursue end user clients for contractors that misapply IR35 - making the end user financially liable for taxes, NI and penalties not paid by contractors. End users have weighed the risk and responded by refusing to engage with PSCs.

With headline-grabbing moves from the likes of HSBC and Barclays, smaller firms are following suit and refusing to engage contractors through PSCs. **So what does the future hold for contracting?**

# PSC: is the juice still worth the squeeze?

HMRC has already done most of the damage to the PSC model over the last decade. Consider the tax-free allowance on dividends. Only a few years ago that was £35,000. Now it's £1,000 and you pay corporation tax at 19% before a dividend is payable.

The financial picture is a case-by-case basis but broadly: when clients move from their old PSC to an Umbrella Company, they've seen their net income decrease slightly.

That's not news anyone wants to hear but consider the upside - you'll have no more:

shareholding  
directorship  
invoicing  
dividends  
expenses tracking  
additional accounting  
separate bank accounts  
additional insurance costs  
multiple monthly transfers  
dreaded letters from HMRC  
IR35 audit and insurance fees



## what's your time worth?

With your contracting career powered by granite, you just get paid. Simple. We handle the rest.

With granite giving you back those few hours a month, are you really 'losing out' by not having a PSC? Or are you getting time back to invest in your most valued pursuits?



# the benefits



## get balance back in your life with contracting powered by granite

- ✓ full UK contract of employment
- ✓ permanent 'portable' employment: we stay with you across agencies
- ✓ all invoicing, credit control and payments seamlessly managed
- ✓ full employer support with mortgage, rental and credit applications
- ✓ maternity and paternity pay
- ✓ holiday pay
- ✓ pension
- ✓ full suite of workplace insurances
- ✓ perks packs to save thousands on highstreet purchases

## professional employment with granite

When leaving behind all the burdens associated with your old PSC and switching your contracting career to be powered by granite, you not only ditch all the old hassle of maintaining a PSC but also gain a number of tangible benefits.

Register now to get onto solid financial foundations:  
[granite-bpo.com/register](https://granite-bpo.com/register)

# welcome to granite

The fastest, easiest way to get paid. Welcome to best-in-class customer service, the home of industry-leading perks and zero jargon.

We handle taxes, NI, invoicing, pensions and more, letting you get on with what you do best...your job!

We're paper-free so we're doing our bit for the environment, and saving everyone time in the process. Everything we do is online, including access to your perks pack - where you can save thousands on the brands you know and love. Save the environment, save time, save money - there's a theme here.

All granite employees benefit from £13 million in workplace insurance cover too, for your peace of mind. Have a read through our website to get a feel for what we do and how, and in the meantime, thanks for joining us and welcome to granite!

Make life easier. Join us at [granite-bpo.com](http://granite-bpo.com)

A stylized, handwritten signature in black ink, appearing to read 'Jovan Pavlicevic'.

Jovan Pavlicevic  
Managing Director

# perks pack

Grab over 3,000 exclusive employee perks and benefits – you'll never have to pay full price again!

There's something for everyone, with online and instore discounts on cinema tickets, gym memberships, insurance, grocery savings and more.

Discounts and offers are not taxed.

Imagine saving a grand a year. Sounds good to us. Typical savings include:

supermarket £200

holidays & travel £150

home furnishings £100

electrical & PC's £150

insurances £200

clothing £140

gifts £60

