**Draft letter - IR35 off-payroll rules apply**

**Personal and Confidential**

<Insert Name> Please ask for:

<Insert Address> Direct Dial:

E-mail:

Our Ref:

Date:

Dear <<insert worker or intermediaries name>>

**Subject: <<insert Assignment Title >>**

Thank you for your interest in providing services to The Highland Council. We look forward to the prospect of working with you.

As you know prior to engaging your business and service The Highland Council are required to complete an employment status assessment for the purposes of tax treatment. Using the information available to us, we have completed an assessment using the HMRC Check Employment Status Tool (CEST).

Please see attached a copy of the Status Determination Statement which indicates this assignment falls within the scope of IR35 tax regulations.

As the proposed assignment falls within the scope of IR35 rules, the services provided must be paid via PAYE where tax is deducted at source. This will only apply to the labour element of your charges, any materials or other expenses will not be subject to these rules and will be paid in full. **Therefore, if you have any materials or other expenses, please provide 2 separate invoices one for labour charges and one for any other costs.**

This does not mean that you have employed status with Highland Council, this is purely to meet HMRC’s tax processing requirements. To allow us to process your payments, please complete the attached IR35 New Starter Form and return it to me as soon as possible.

In the event that you do not agree with the status determined, please contact me in writing outlining specifically the parts of the status determination statement that you believe not to be accurate and provide all relevant information. On receipt we will consider the information provided and respond within 45 days to confirm the outcome.

Please do not hesitate to contact me if you need any further information.

Yours sincerely