**Instructions for completion of assessment**

Hiring Managers will need to complete the online assessment tool within the HM Revenue & Customs Off-payroll working (IR35) page on the GOV.UK webpage <https://www.gov.uk/topic/business-tax/ir35>.

The assessment tool can be found via the following:

[Check employment status for tax - GOV.UK (www.gov.uk)](https://www.gov.uk/guidance/check-employment-status-for-tax)

**The assessment tool (CEST) must be completed by an ELC Service Manager or equivalent role – this task cannot be delegated.**

Here you will have 2 options under “What do you want to find out?”

* If the off-payroll working rules (IR35) apply to a contract
* If some work is classed as employment or self-employment for tax purposes

First complete the “If the off-payroll working rules (IR35) apply to a contract”

The assessment will then determine 1 of 2 results:

* “Off-payroll working rules (IR35) do not apply” or
* “You need to start again” and thereafter establish if “If some work is classed as employment or self-employment for tax purposes”

The check-employment status for tax assessment tool will then determine 1 of 3 results

|  |  |  |
| --- | --- | --- |
| Self-employed for tax purposes for this work | Employed for tax purposes for this work | Unable to determine |
| You need to pay the worker’s earnings in full, without deducting Income Tax and National Insurance contributions. | You need to operate PAYE on the worker’s earnings.Therefore you will need to complete and follow the guidance on the councils deemed earnings form.  | The council policy is to treat as employed for tax purposes, therefore operate PAYE on the worker’s earnings. Subject to successful challenge via HMRC appeals process. |

**Payment processes and Record keeping - please refer to the** [ELC Guidance for Hiring Managers](https://intranet.eastlothian.gov.uk/downloads/file/4131/elc_ir35_hiring_managers_guide)**.**

All records need to be centrally collated and stored for audit purposes.

Dependent on the results of the check, a status determination statement (SDS) should be sent by the to the worker and to the party in the supply chain that the Council contracts with for the worker’s services informing them of the decision and actions to be taken. Please refer to the ELC Guidance for Hiring Managers which also provides SDS templates to be used for these communications.

The notification form can be found at: [Appendix 1 - Notification Form (was Deemed Earnings Form) | ELnet](https://intranet.eastlothian.gov.uk/downloads/file/4132/appendix_1_-_notification_form_was_deemed_earnings_form).