

Opting-out for Limited Companies

If you are a Limited Company Contractor, the Regulations allow for you to “opt-out”. Whilst the regulations have been conceived to ensure greater legislative protection for candidates, there may be issues which conflict with the spirit of the IR35 rules. The ability for you to opt-out, gives you the choice to remain contracting in the same way as prior to the Regulations.

Opting out of the Regulations will have benefits if you decide that you want to be considered self-employed. This will mean you will not be afforded the same protection as that of our PAYE workers. However, this does bring you a step closer to being seen as genuinely self-employed and therefore could be viewed as outside the scope of the IR35 tax rules. It will also give you greater flexibility in negotiating your contract terms.

If you wish to opt-out, you will need to opt-out before your contract starts and you should do this by informing your Highfield Recruitment consultant that you intend to opt-out then complete the EAA opt-out form.

For more information on these rules and the implications and benefits of opting out of the Conduct Regulations, please click on the link below:
<http://www.berr.gov.uk/files/file24248.pdf>

