

Supervision, Direction or Control (SDC)

What is it and what does it mean for you?

Travel & Subsistence expense rules for agency and Umbrella workers have **changed**.

T&S will be **restricted** unless workers can prove they are **not under the SDC** of either the client, the agency or PayStream in the way they carry out the work.

HMRC will now assume that all **agency** and **Umbrella workers** are subject to SDC unless the agency or Umbrella company has gathered evidence to prove otherwise.

Those working through **PSCs** will **not be affected** by these changes provided that they fall **outside IR35**.

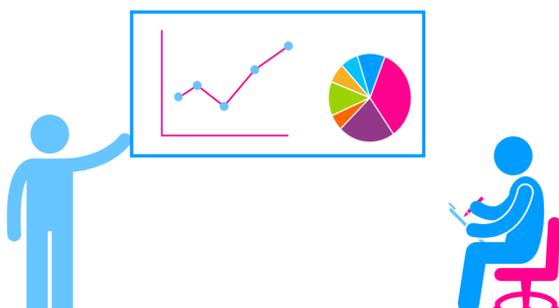
What is Supervision?

When a contractor has **someone overseeing them** doing the work, to ensure that they are doing the work they are required to do.



This includes **someone helping them** develop their skills and knowledge correctly.

If this is the case then the worker **CANNOT claim T&S**.



Following completion of the work, a client ensuring the job has been carried out properly **will not**, on its own, mean the worker is **supervised**.

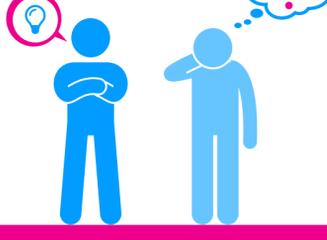
What is Direction?

When a contractor has **someone who makes them do work** in a certain way by providing them with instructions, guidance or advice.



That someone who is providing direction will often coordinate **how the work is done**, as it is being undertaken.

If this is the case then the worker **CANNOT claim T&S**.



If the contractor has **expertise** that the **client does not**, it is unlikely that the client will be able to direct the contractor on how to do the job.

What is Control?

When a contractor has **someone who dictates what work a contractor does and how they go about doing that work**.



Someone having the power to **move the contractor** from one job to another.

If this is the case then the worker **CANNOT claim T&S**.



If the contractor is **filling in for a full time employee** who is sick or on leave it is likely that they will be **subject to SDC**.

How will SDC be determined by HMRC?

To determine if SDC applies, HMRC will look at...

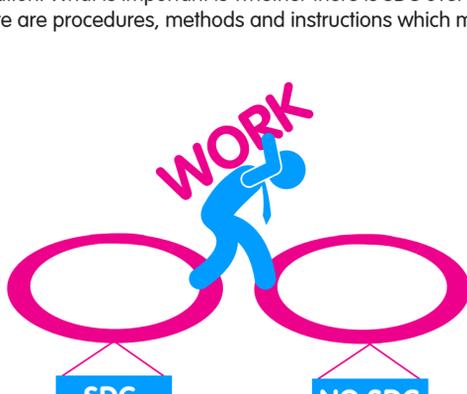
Documentary evidence, including the **terms of engagement** i.e. what has been contractually agreed.

The **way** the work has been or is actually done, by gathering **facts from enquiries** with persons involved in the arrangements.



Please note

SDC over **where, when** and **what** work is done does **not** necessarily mean contractors will be caught by the legislation. What is important is whether there is SDC over **HOW** the work is done; so where there are procedures, methods and instructions which would be followed it is likely SDC will apply.



Workers who are **subject to the right of SDC** will also be caught, so even if there is no SDC present, for example, if any person maintains a right to supervise, direct or control how the work is done then the contractor will **not** be able to claim T&S.



Special rules apply to **Mobile workers**.

For more information on how PayStream can help call,

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