

Guidance on Off-Payroll Working (engaging self-employed workers)

1. Introduction

This guidance is intended to support University staff to be compliant with the Off-Payroll Working Regulations (commonly known as IR35), which came into effect on 6 April 2017 and updated 6 April 2021. The intention of the Regulations is to ensure that self-employment arrangements do not disguise work arrangements that ought to be treated as employment, and thereby to ensure that HM Revenue and Customs (HMRC) receives tax and national insurance contributions (NICs) for individuals.

As a general guide any work that is delivering or supporting core teaching/activity, learning or assessment as part of the University's curriculum is likely to constitute employment. Any individuals intending to perform such work must, in the first instance, be evaluated by the HROD team at the University; the member of staff should contact their HR Business Partner for advice and support. If HROD deem that a contract appointment is not appropriate, the Off-Payroll Working Regulations must be applied.

Whilst HMRC provides a tool to make a ruling on the allowed method of payment, and which may be used to determine the outcome of any application for Off-Payroll Worker status, the process of determination is very complex. To assist staff in maintaining compliance with HMRC Statutory Regulations, the University engaged a team of employment taxation specialists to identify the types of engagement pertinent to the University and develop a robust process which simplifies the determination and states the actions to be taken prior to engaging such workers. This process relies on the use of a Decision Matrix specific to the University which determines the employment tax status of a number of roles for which the University engages individuals directly or as an Off Payroll Worker via an intermediary, such as a personal service company ("PSC"). Workers whose engagement falls outside the

scope of the Decision Matrix will be processed manually by the Accounts Payable or Central Services Office support teams.

There will be situations that are ambiguous and have features that apply to both employment and self-employment. In this situation the member of staff should contact their HR Business Partner for advice and support in assessing the status.

The HROD, Accounts Payable and Central Services Office support teams can offer assistance prior to commencing discussions with the intended worker and before commencing the engagement process.

2. Process

1. From 6 April 2017 any self-employed individual or their Company submitting an invoice to Finance must have been assessed **prior to the work taking place** in accordance with this guidance. This assessment is requested by filling out a OneUni YSJ Financials Request New Creditor online form found by navigating to My YSJ > Forms. It is important to nominate the type of Off-Payroll worker by making a selection from the drop-down list in the field AP Commercial Type. The AP Commercial Type is a very broad classification and at some point in 2026 the online form will be simplified and will allow a direct selection from the roles identified in the Decision Matrix. Please attach any supporting applications or other relevant details to the form, as such additional information will be used to assist in determining the worker's Off Payroll employment status.
2. Where the determination is that payment be made as a commercial creditor, a requisition for those services must be raised and a Purchase Order issued to the worker before any work is commenced.
3. Where the determination is that payment be made as a Deemed Worker via payroll, the engaging staff member must advise the Payroll team via email to Salary Claims.

4. Requisitions will not be able to be raised and Finance will be unable to pay any invoices until the worker has been set up in OneUni as a creditor, or in payroll as a Deemed Worker.

Guest Speakers, Industry Specialists and Life Models determined to be payable as a creditor, are considered to have that status for the extent of the Purchase Order against which they were initially approved. When the approved engagement has been invoiced and paid, those creditors will be made inactive and will not be visible within the OneUni Requisition process. If the worker is needed for a new engagement, please contact the Accounts Payable or Central Services Office support team to request the reactivation of their account. This process must be completed before the commencement of any work as stated above.

Where a lack of clarity cannot be resolved the individual will be treated as a 'Deemed Worker'.

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