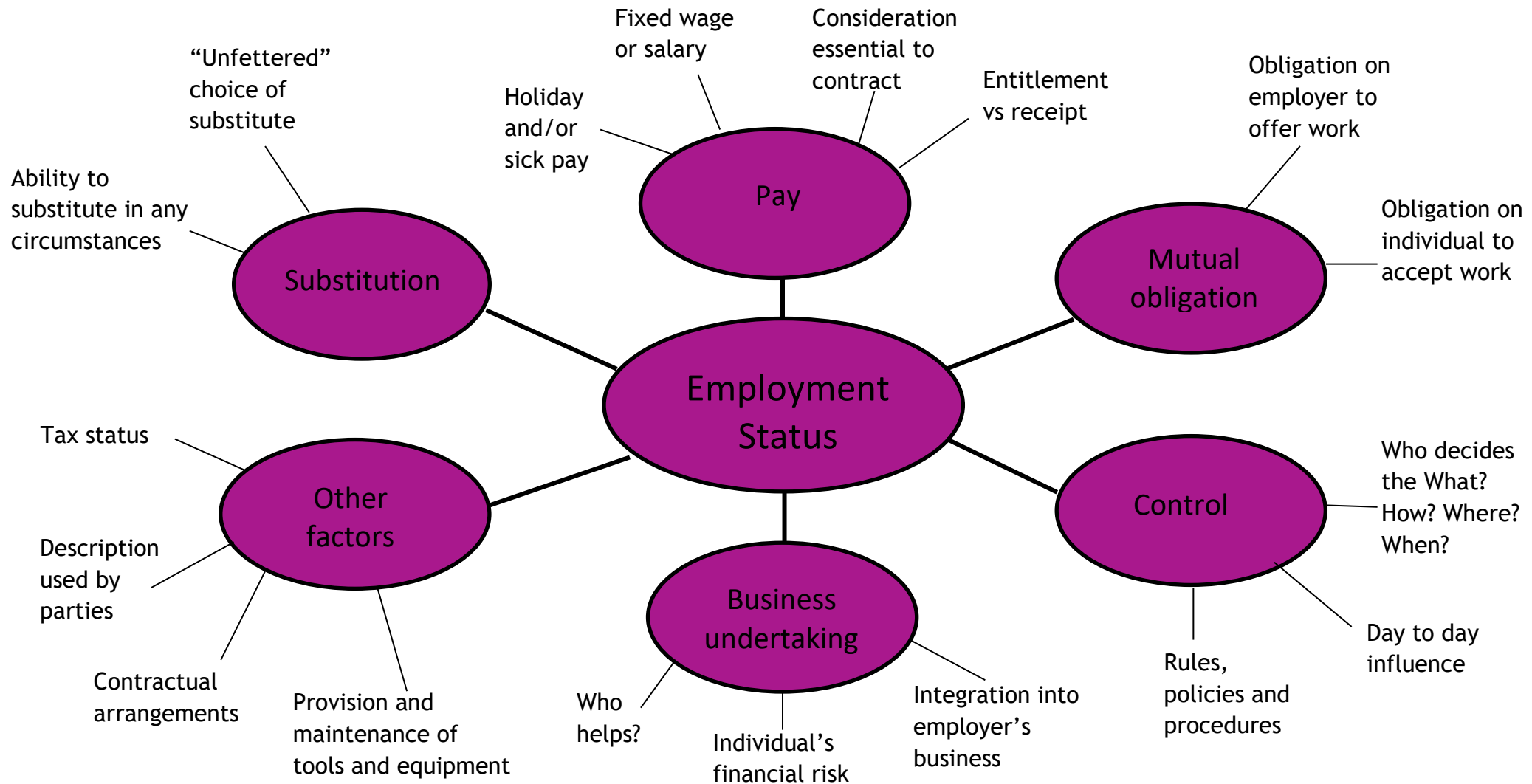


# Factors for deciding employment status



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# Steps to manage employee status

Once you've decided on the employment status of those working for you, it's important to manage individuals consistent with their status. Here are our top tips on arrangements you should put in place.

Self-Employed	Worker	Employee
<ul style="list-style-type: none"> <li>Put a consultancy agreement in place</li> </ul>	<ul style="list-style-type: none"> <li>Put contractual arrangements in place which reflect the true working arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Put appropriate employment contracts in place covering:</li> </ul>
<ul style="list-style-type: none"> <li>Wherever possible, allow freedom to appoint a substitute with as few restrictions as possible</li> </ul>	<ul style="list-style-type: none"> <li>Be clear about worker status and limited rights</li> </ul>	<ul style="list-style-type: none"> <li>Salary</li> </ul>
<ul style="list-style-type: none"> <li>Allow consultant to undertake other work</li> </ul>	<ul style="list-style-type: none"> <li>Specify arrangements about:</li> </ul>	<ul style="list-style-type: none"> <li>Holiday and sick pay arrangements</li> </ul>
<ul style="list-style-type: none"> <li>Specify what employment and tax status you believe applies</li> </ul>	<ul style="list-style-type: none"> <li>How wages are calculated, including any which fall within NMW</li> </ul>	<ul style="list-style-type: none"> <li>Mutuality of obligation</li> </ul>
<ul style="list-style-type: none"> <li>Include a tax indemnity clause</li> </ul>	<ul style="list-style-type: none"> <li>Holiday pay and how this is calculated (20 days only)</li> </ul>	<ul style="list-style-type: none"> <li>Personal service</li> </ul>
<ul style="list-style-type: none"> <li>Adopt a consultancy-style fee arrangement</li> </ul>	<ul style="list-style-type: none"> <li>Tax arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Reference to rules, policies and procedures</li> </ul>
<ul style="list-style-type: none"> <li>Ensure working practices reflect self employed status</li> </ul>	<ul style="list-style-type: none"> <li>If relevant:</li> </ul>	
<ul style="list-style-type: none"> <li>Don't treat as an employee</li> </ul>	<ul style="list-style-type: none"> <li>Distinguish from employees</li> </ul>	
<ul style="list-style-type: none"> <li>Give consultant freedom to decide how they carry out their work</li> </ul>	<ul style="list-style-type: none"> <li>Make necessary provision for backdated claims</li> </ul>	
	<ul style="list-style-type: none"> <li>Be alive to whistleblowing complaints and TUPE issues</li> </ul>	