



Amulet PSC  
*for government contracts*

A man with glasses and a patterned shirt is looking at a computer monitor in a server room. The room is dimly lit with red and blue lights from the server racks. The man is in the foreground, looking towards the right. The server racks are filled with equipment and have various lights on them.

## Do you work on government contracts?

If you operate through your own limited company and work on government contracts, then from April 2017, you will be affected by changes being brought in to manage your IR35 status. These changes could significantly affect your earnings potential. It's a game changer in that you will no longer be in control of assessing the IR35 status of these contracts.



# Off-payroll working in the public sector reform: *what is it?*

From April 2017, new IR35 rules will apply to those who work on government contracts through their own limited company. Those that work through an umbrella company will be unaffected.

The new rules will see the responsibility of determining the IR35 status of each public sector contract move to the hiring public sector body, and paying the correct tax move from the contractor and their limited company to an intermediary or entity “closest” to the contractor. With the migration of this responsibility to a third party, the 5% expenses allowance for contracts inside of IR35 has also been removed.

The government estimates that only 10% of Personal Service Companies (PSCs) who should be operating inside of IR35 are actually doing so, and that there are 20,000 non-compliant PSCs in the public sector. So if you are worried that these changes will affect you, then you are not alone.



# What can you do?

We believe that you have 3 options – you could choose to:

- Work through an umbrella company for your government contracts, but your PSC would still need to be managed to allow you to maximise your earnings capacity for private sector contracts if you wanted to continue to contract in the private sector or undertake multiple contracts simultaneously.
- Turn down government contracts and focus on private sector contracts.
- Engage Pulse Accounting and utilise our Amulet service to manage the situation for you.



## *Why Amulet?*

Working with contractors who have a PSC is what Pulse Accounting was created to do and does well. Establishing if a contractor works in a way that is caught within the IR35 rules and wider employment legislation is not new to us and so our services are already firmly positioned to service PSCs to comply with the regulations.

Operating a PSC within the new rules is completely different to anything you may have done before. You will need to be able to reverse engineer payroll calculations and ensure that outgoing invoices reflect the net figure. Pulse Accounting will ensure that this process is carried out and accounted for correctly to ensure you remain compliant with all tax legislation. Income from government contracts is treated very differently from contracts in the private sector. Pulse ensure all this happens seamlessly and with as much support as you need to get things right.

Amulet is a dedicated service offering protection to not only you and your PSC, but to all the parties involved in the contractual chain. This gives you considerable strength when being considered for your government contract. It also offers you a practical solution to continuing to use your PSC for all your contracting engagements.



# Why Pulse?

Pulse Accounting Limited is an online accountancy established specifically to service professional contractors and locums working in the UK. Based at Macclesfield, Cheshire, it offers award-winning accounting and customer service to ensure company filing obligations are met and limited companies remain compliant.

Our overriding aim is to place the contractor at the centre of everything we do. Our success is reflected in our inclusion in The London Stock Exchange's 1000 Companies to Inspire Britain in 2015. We make sure that each and every contractor feels their needs are being personally handled and handled professionally. Our dedicated account team together with our market-leading online portal ensures an unrivalled customer experience.

*Pulse – we work hard for you.*

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