



# HM Revenue & Customs

Ms Annabel Kaye

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Date: 4 March 2019  
Our ref: FOI2019/00322

Dear Ms Kaye

## **Freedom of Information Act 2000 (FOIA)**

Thank you for your request, which was received on 4 February, for the following information:

“Regarding the extension of the existing administration scheme for IR35 (introduced into the public sector in April 2019) announced for rollout into the private sector in 2020 :

What equality impact assessments have been made in relation to the effect on:

- a) People associated with disabled people for are responsible for their care - ie self-employed carers who are restricted by domestic responsibility
- b) Disabled self-employed contractors who use contracting to work rather than become dependent on benefits
- c) Women contractors, who cluster in lower earning professions or are working less hours often due to childcare responsibilities or a) above

In particular (but this is not restricted to that) what is the impact on contractors who do not earn enough to use up their personal tax allowance and thus would not be paying tax under PAYE when their company pays them.

May I see the quality impact assessments made.”

HMRC may hold some information within the scope of your request, but the release of the information is exempt under S35 of the FOIA, which allows government departments to withhold information relating to the formulation or development of government policy. The data relates to the public sector reforms but it is relevant to ongoing policy formulation.

Section 35 is a qualified exemption which means that I must consider whether the balance of the public interest favours withholding or disclosing the information. I accept that there is strong public interest in ensuring that HMRC is accountable for its activities and is as transparent as possible about the way policies are developed. Publishing the information requested would, on the face of it reassure the public, that our policy development and advice activities are fair and robust and take account of legal and technical advice.

Against that, I have taken into account that HMRC is subject to review by external bodies such as the National Audit Office, the Adjudicators Office and the Public Accounts

Committee, so the public interest in our accountability is met by the oversight of those bodies. It is important that government ministers and officials have a safe space for policy formulation to take place whilst development is live. Disclosing information could have a detrimental impact on how policy options are discussed and explored, so on balance I conclude it is not in the public interest to set aside the exemption.

Outside of the FOIA, in specific response to your final point, I can advise you that the off-payroll working rules do not affect the genuinely self-employed. The reform will apply only to medium and large-sized businesses, minimising administrative burdens for the vast majority of engagers. The reform will not apply to engagements with small businesses. The definition of a “small business” will be based on the Companies Act 2006 definition of a small company.

Where an engagement is caught by the reform, individuals who are not liable to income tax would have any income tax that has been over deducted through PAYE, refunded when the correct code number is issued to the organisation paying the worker's company.

If you are not satisfied with this reply you may request a review within two months by emailing [foi.review@hmrc.gsi.gov.uk](mailto:foi.review@hmrc.gsi.gov.uk), or by writing to the address at the top right-hand side of this letter.

If you are not content with the outcome of an internal review you can [complain to the Information Commissioner's Office](#)

Yours sincerely,

Freedom of Information Team