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Giant IR35 fee payer

As the IR35 fee payer we have compliantly made thousands of payments to limited companies since April 2017.





Introduction

For those of you affected by the IR35 changes in April 2021 this is a difficult time. You will want to become familiar with how IR35 fee payer works and ultimately how this affects your net income. We have produced this booklet with frequently asked questions to hopefully answer most, if not all, of your queries.

At giant we have almost 30 years of specialist experience providing payroll and employment services to contractors, agencies and corporates. Over the years we have won many awards but also built a reputation for being very straight forward and compliant.

Having been a founder member of the FCSA where we are reviewed every year by EY against a strict code. We very much hope this booklet helps you in your decision-making and we look forward to welcoming you to one of our services.

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Nov 20, 2023

Lower your tax bill

The biggest selling point is the ability to transfer large amounts of your wage into a Standard Life pension. Tax is disgustingly high when you are an Inside IR35 contractor. Giant are offering an opportunity to lower your tax bill thanks to this service

IR35 fee payer

If your hirer decides you are caught by IR35 they may still allow you to trade through your limited company. The company that pays your limited company is known as the fee payer.

The fee payer will enter into a new contract with your limited company at a lower rate to enable the fee payer to deduct its margin, employers national insurance and the apprenticeship levy. The fee payer will then deduct PAYE tax from the contract rate before paying the net amount to your limited company. These deductions are governed by the Off-payroll working legislation.

Keeping your limited company allows you to use it for both inside and outside IR35 assignments.

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Benefits of IR35 fee payer

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Honoured by the Benefits Excellence Awards, you have access to Giant Advantage which is an extensive employee benefits programme that can save you £1000's each year.

1. 30 years of specialist experience
2. Invoice, remittance and payment trackers
payment text alerts
3. Full contractor support
4. Self-bill invoicing (no work for you)
5. 100% compliance
6. Speedy set up
7. Bespoke, mobile enabled software
8. Own tech – designed for simplicity
9. ISO 14001 environmental
10. ISO 9001 quality systems
11. ISO 27001 international security





Customer service

We recognise that customer service is very important to you throughout your journey with Giant. Our support teams are available from 8 am to 8 pm whether you are using the feedback function via your portal, live chat or the phone – and our technology is open 24 hours!

We continue to invest heavily in our own technology, ensuring your experience across any device is both intuitive and simple.

We also invest very heavily in our people, from the recruiting phase through to continuous training and quality control. An important cornerstone of our quality control are the scores and feedback we receive from you and other clients using our service. These are surveys which, using a net promoter score of 0 to 10, gain valuable feedback on both our overall service and importantly individual support staff.

Each staff member and the department as a whole are ranked and mapped showing clearly their scores and feedback. These are circulated daily and form part of our key performance indicators and staff reviews each month. It is rare that these scores are less than 9 out of 10.

With your help the feedback you provide allows us to continually improve our service.



How it works

If the hirer says your assignment fails IR35 you can continue to operate via your own limited company allowing you to benefit from future assignments which are outside IR35.

The Off-payroll Working legislation applies to work performed after the 6th of April 2021. Therefore the fee payer arrangement should be set up and ready well in advance of this date. This will include your agency issuing a contract to Giant.

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Frequently asked questions

We have grouped the most frequently asked questions to help you answer your queries. We are constantly updating these based upon your feedback. We very much hope they are useful and look forward to welcoming you to one of the Giant services.



Nov 17, 2023

Giant limited - no problems

Giant limited are really easy to contact and you can receive an immediate response to most queries via a real person on the live chatbot. If they do need to check with a third party the response time is still pretty good. I have used them for three years and the service is very good.

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The basics

Why was the Off-payroll working legislation introduced?

To ensure that individuals who work through their own company pay employment taxes in a similar way to employees and would be employed were it not for their limited company or other intermediary that they work through. HMRC have stated that they introduced these changes to improve fairness in the tax system by ensuring that individuals are not able to sidestep employment taxes or National Insurance Contributions by working through a personal service company (PSC).

How will the IR35 assessment be made?

HMRC have an IR35 assessment tool to support hirers and agencies in assessing status, known as the Check Employment Status for Tax Service (CEST).

If the hirer deems your status to be outside of IR35 for this assignment, Giant will require a status determination statement from the hirer along with a copy of the HMRC online tool report (CEST) showing the questions and answers used to arrive at the decision of outside IR35.

What are your SLAs for dealing with queries / complaints?

We aim to respond to all queries within 24 hours and have a robust complaints procedure in line with our employee handbook.

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I think my role is outside of IR35 – what can I do?

Under the Off-payroll working rules, it is the hirer's responsibility to determine your IR35 status. If you do not agree with their determination, we recommend you speak with your agency or hirer to understand how they have reached their decision. The hirer should have an appeal process.



Can you pay salary or dividends to another individual other than myself?

No, the payment can only be made in respect of yourself.

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Do you cover me with business insurances such as professional indemnity etc.?

No, this still remains the responsibility of your limited company and we will request copies of your insurance certificates during the onboarding process.

Do I have a personal portal?

Yes, your portal includes all of the information you require to track your time, invoices and payments and also facilitates direct communication between us.

If I change to Giant Umbrella – what do I do with my limited company?

You do not have to close your company if you decide you wish to be paid through an umbrella company. You may choose assignment income that is inside IR35 to be paid through our umbrella company, but continue to invoice through your limited company for all other assignments outside of IR35.

You should speak to your accountant and take advice as to whether there is a need for the company still to be open.

Can Giant make pension contributions for me under IR35 Fee Payer?

No, HMRC state that pension contributions are not a fee-payer's responsibility. As a Director of your PSC, pension responsibilities remain with you and your PSC and not Giant. If you wish to make or continue pension contributions, then you will need to arrange these yourself via your PSC.

Will you provide me with a P60?

Yes, we'll provide you with a P60 after the end of the tax year. The P60 will include the deemed employment payment as well as tax and National Insurance contributions paid on it. You should enter these figures on the employment page of your Self-Assessment tax return.



How is my assignment rate affected under the fee payer model?

If I'm inside IR35, how is the assignment rate affected?

The new rate will be calculated based on the assignment rate the agency pays to Giant less:

1. Giant margin
2. Employer's NI
3. Apprenticeship levy

We will issue you with a contract reflecting your agreed contract rate.

If I'm outside IR35, how is the assignment rate affected?

The new rate will be calculated based on the assignment rate the agency pays to Giant less:

1. Giant margin

We will issue you with a contract reflecting your agreed contract rate.

If you have already deducted PAYE taxes, do I need to pay further tax on the payment I receive from you?

If HMRC have instructed us to use a correct tax code, you shouldn't need to. The payment is treated as employment income from your limited company and so you should include it with any other employment income on your self-assessment tax return. Once you complete your self-assessment, HMRC will calculate if any further tax is due taking into account all income from all sources.

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How do your fees & margin work?

Is there a set-up or cancellation fee for Giant IR35 fee payer?

No.

Do you retain a margin when I am not working?

No we don't. We only retain a margin when we are processing funds to your limited company.

What is your margin?

Please refer to the net pay illustration calculation to check our margin.

What tax is deducted if I am inside IR35?

Employer's NI and the apprenticeship levy, why is this taken from the rate?

Under the Off-payroll working rules, if inside IR35, the fee-payer (party paying your limited company) must deduct and pay to HMRC employer's national insurance and the apprenticeship levy – it is a statutory requirement.

The rate that the agency pays to Giant must cover these employment costs and our margin. To get your new rate for your limited company, we deduct these costs first and the remaining balance is your new assignment rate, which is then subject to PAYE tax and employee's National Insurance.

How is tax calculated?

PAYE tax is deducted by us using a Basic Rate (BR) tax code of 20%. Within approximately eight weeks HMRC send us an updated tax code to use, which will ensure we are applying the appropriate level of tax. If you leave our service before this tax code comes through you may have additional tax to pay on your self-assessment return.

As the fee payer we are liable for deducting the wrong amount of tax. This liability cannot be transferred to you the contractor.



How does the invoicing, VAT & expenses work?

Do I need to issue Giant with an invoice to be paid?

No. For every payment we will issue a self-bill invoice which matches the payment we make to you and upon receiving the payment you will receive a remittance advice from us. All electronically.

How does VAT work?

VAT, if applicable, is charged by you on the new contract rate with Giant. We will issue your company with a self-bill invoice which will show any VAT (and the tax deductions for those that are inside IR35).

Can I claim expenses with Giant IR35 fee payer?

If the agency are paying billable expenses, these will be paid to Giant and we will pay them directly to your limited company.

If you have business expenses purchased by your limited company that you want to process to reduce your tax liabilities, then you will need to liaise with your accountant.

Is corporation tax due on the deemed employment payment I receive from you?

No. When you calculate your company's corporation tax liability, deduct the amount of the deemed employment payment and class 1 employer's national insurance contributions due on it. This deduction is only allowed when you calculate the taxable profits for the accounting period in which the deemed employment payment is treated as paid.



When & how often do you pay my PSC?

When do you pay my limited company?

Your agency will send us your timesheet information electronically (known as DX – Data Exchange) upon us processing the file, we will pay you the next working day via faster payment. Faster payment means the funds will clear in your account on the same day and so you won't need to wait the usual 2-3 working days for payment to clear. When we pay you we issue you with a remittance advice.

How often will you pay my limited company?

We will pay your company in line with the same frequency that your agency pays us – i.e. if they pay us weekly, we will pay you weekly; and if they pay us monthly, we will pay you monthly.

How do I leave the Giant IR35 fee payer service?

What is the notice period if I wish to terminate the contract with Giant?

Your agency will confirm the notice period for the assignment and we will populate this on the assignment schedule you are offered online with us.

Can I leave you at any time?

Yes, ensuring that you have served the relevant notice period. Some agencies will only allow you to change engagement model either at the point of extension or new assignment and so you should check their policy on allowing changes. (there is no fee for leaving)



Self Bill Invoice

The directors
Your company limited
Your address
Your town
Your postcode

Your unique reference
number with us

Your company details

Pay rate

Notification from: Giant business connect
Harbour exchange square London E14
9TQ
Registered in England no 10350214

Our details

Tax point 02/ 08/2019
Invoice date 02/ 08/2019
Tax code BR
PL number 10000001

The tax rate used to
calculate your tax
deductions

Contractor: your name (YN110190)

All figures are shown in pound sterling

Description	Unit	Rate	Amount	VAT	Amount
P/E 07/07/19 your name (YN110190) LTD basic daily	5.00	301.62	1,508.10	301.62	1,809.72
Your name (YN110190) tax deducted	1.00	(301.60)	(301.60)		(301.60)
Your name (YN110190) national insurance deducted	1.00	(106.44)	(106.44)		(106.44)

Your tax and NI
deductions (only
applicable if inside IR35)

VAT No: 12345678
PLAccount: 7654321:

Net Total	1,100.06
VAT calculated @ 20%	301.62
Invoice Total	1,401.68
Less Advances	0.00
Net Payable	1,401.68

Net pay amount to
your company

Net pay amount to your
company including VAT

The VAT amount is your output tax due to HMRC

Details	
Remittance no.	30269
Total Payable	1,410.68

Bank	Example Bank PLC
Short code	202020
Account no.	111222333
Swift code	

What about invoices and remittances? Continued.

Do I need to raise invoices to giant?

No, when we receive timesheet details from your agency, we will issue a self-bill invoice.

How do I access my self bill invoice?

Self-bill invoices will be available to view and download via the Giant portal which is mobile compatible and available 24/7. Your invoice will be available to view the day prior to the scheduled payment.

Will the remittance advice detail my tax deductions?

Yes, it will. Each time you are paid, a remittance will be made available on your portal. This details the gross invoice amount, any applicable deductions such as tax and National Insurance (if you're inside IR35) and the net total. See an example below of what you can expect it to display.

Joining

How do I join Giant IR35 fee payer?

We will need to agree this engagement model with your agency first. Once agreed, when we receive your assignment information from your agency, we will contact you to commence your onboarding.

What information do you need from me?


We will ask you to provide us with your personal details (e.g. name, DOB, address, etc.), your company details, including your company registration number, VAT status, business insurance certificates and your business bank details; we will also require you to complete an identity check. Once received, we will email you your login details to the portal. Here you will be asked to accept your assignment and complete a Starter Declaration.

Why do you need to carry out an identity check?

Under our anti-money laundering policy, we are required to also check your identity and address and will request a copy of your passport and proof of address documents during onboarding.

What about contracts?

Once you have completed the onboarding compliance steps and your agency have confirmed your assignment details, your contract documents will be made available to you to view and accept electronically online.



[Click here to speak to our support team.](#)

Here are a few whitepapers we currently have available to support you through crucial legislation changes. New ones are constantly being added and can be downloaded for free via our website: www.giantpay.co.uk/resources.



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About Giant

For almost 30 years, Giant have provided specialist, end to end workforce management software and support services for organisations of all sizes. Globally.

We invest heavily in our cloud-based software which ranges from talent acquisition and onboarding through to timesheet management, billing and payroll. Our support services include candidate screening, employment solutions and legislative risk management including employment status advice as well our range of payment solutions available to contractors.

You can relax knowing your data is safe with us. Our commitment to compliance protects you from risk and our rigorous international security standard ISO 27001 ensures that your data is GDPR secure.

By the way, we're also green! We're passionate about our planet so we have the ISO 14001 environmental management standard which focuses on reducing waste and recycling!

[Click here to speak to our support team.](#)

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