

Contractor Process – Overview for Managers

This overview of the contractor's process will contain the following:

- What is a contractor?
- Why have a contractor process?
- Your responsibilities in this process
- Healthcare Locum Approach
- Pharmacy Support Responsibilities
- Support

What is a Contractor?

Most people will interpret a 'Contractor' as an individual who works for a business under a 'Contract' for a short or fixed period of time.

However, there are many different types of Contractors, such as

Direct Contractor	Self-employed contractors who work at / for the Society and are directly paid by the Society. This includes contractors who are self-employed but are <i>introduced</i> by an agency, and also includes contractors who are set up as a Personal Service Company / Limited Company. Some require access to the Society's systems, others may not.
Agency contractor	Contractors employed by an agency and paid by an agency. Some require access to the Society's systems, others may not.
Temp	An individual employed by an agency that works for short periods of time, on a temporary basis. This can include sickness or holiday cover, or to cover a short term peak in work. The temp is hourly paid and can leave / be terminated without notice at any time.
Service Contractor	Support contracts where the service includes resources that require access the Society's systems

A colleague is an employee, who can be employed on either a fixed term (FTC) or permanent contract.

Do not confuse an FTC employee with a contractor!

Which type does your contractor fall into? (Its worth making a note of this as you will need it later!)

Why have a Contractor Process?

Over the years, the HMRC have discovered that some contractors are not paying the correct amount of tax.

As a result of this, the government introduced a set of laws called 'IR35', which were designed to figure out whether a self-employed worker is genuine or cheating the system. It has been around since the year 2000 and is designed to tackle tax dodgers.

If a business does not comply with these laws, they could face thousands of pounds worth of fines and huge reputational damage. In 2019 The NHS was hit with a £4.3million tax bill after HMRC investigated its approach to its contractors in line with IR35 tax laws.

In summary, we need you to follow our contractor process so we can ensure the Society correctly engages and reviews contractors in a way which is compliant with the law.

Your responsibilities in this process:

As the manager for a contractor you will have the responsibility to ensure they are engaged and managed appropriately, it is Society policy that you:

- Recruit and onboard them in the appropriate method and involve the Society Resourcing Team
- Conduct a HMRC employment status check
- Ensure their Right to work in the UK is checked (Passport/Birth Certificate)
- UK taxpayer check. (Unique Taxpayer Number)
- Conduct a Company and VAT registration checks if they are a direct contractor
- Conduct HMRC status reviews every 3 months and process extensions of contracts and terminations through the IFS system.

The Resourcing team are here to advise and support in this process, contact them on hiringmanagersupport@midcounties.coop

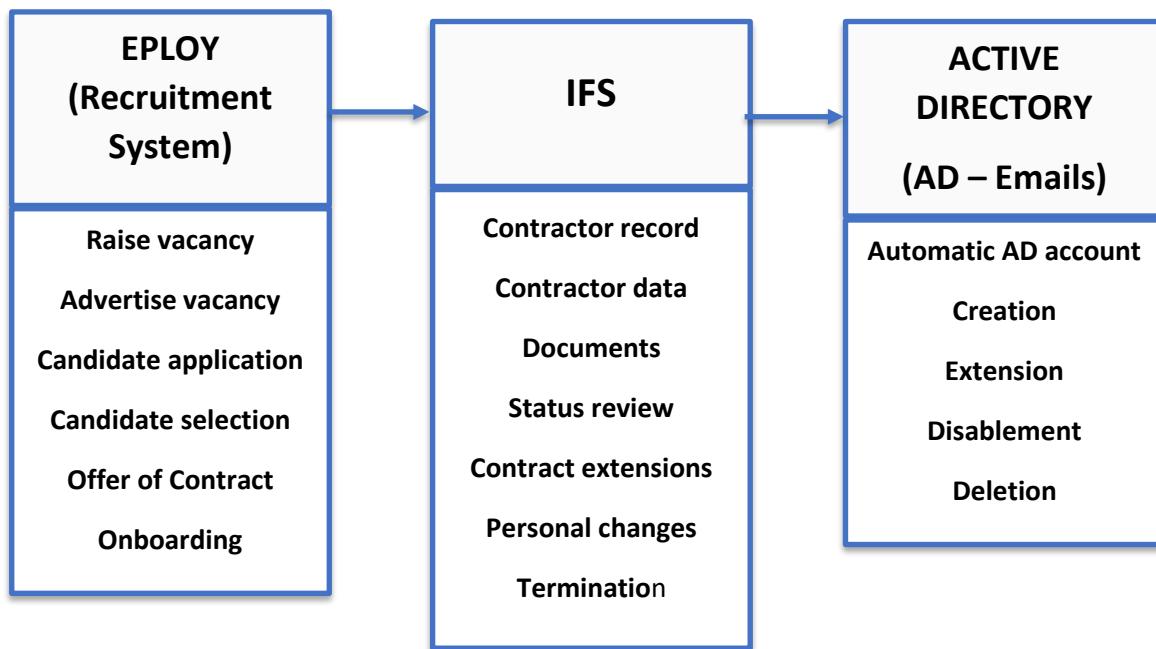
Healthcare Locum Approach

- Hiring manager actions are completed by Pharmacy Support rather than the manager.
- Agency and locums do not register or apply directly via eploy. Instead they complete the New Locum Information Form, which Pharmacy Support then use to register and apply on the locum's behalf.
- Eploy interview stage for locums does not apply and does not appear in the healthcare contractor workflow.
- The locum does not receive any offer, contract or policies via eploy. Pharmacy Support continue ensuring that the Locum Agreement of Service is completed by the locum.
- Key contractor documents are not managed through eploy but are emailed to Personnel Administration to be filed on the IFS contractor records.
- Healthcare are allowed up to 5 working days from the contractor's start date, to process the locum through application to offer (placement).
- HMRC CEST assessment is not completed for every engagement. Instead this is done once for the Locum Pharmacist and once for the Locum Dispenser, as long as the terms of each engagement does not vary from the standard.

Pharmacy Support Responsibilities

- ☺ Raise a vacancy when onboarding a new locum (not used before / already in IFS)
- ☺ Send locum re-engagements report weekly to PSG Admin.
- ☺ Check Locum Information forms for data completeness and quality.
- ☺ Create candidate in eploy and assign to correct vacancy.
- ☺ Check all eploy data is correct before moving to Placed status.
- ☺ Manage existing locums through status reviews, extensions and termination processes.

Systems Involved in the Contractor Process:



Support

- ☺ Please go back to Colleagues Connect to now see step by step guides on how to recruit, onboard and manage your contractor
- ☺ Remember it's important that you follow Society procedure to ensure we are complying with tax laws
- ☺ Contact the Resourcing Team via hiringmanagersupport@Midcounties.coop for any help or guidance – we are here to help!