



**For immediate release**

### **IR35 - NASDAL warns against misleading and inaccurate advice**

The National Association of Specialist Dental Accountants and Lawyers (NASDAL) is warning dentists and particularly Associates, to rely on specialist dental tax sources of advice in regard to upcoming IR35 legislation changes.

There have been several inaccurate statements recently published in relation to the change in tax rules being introduced with effect from April 2020.

These scare stories state or imply that ALL dental associates working for large corporates will cease to be treated as self employed from April 2020 .

For most associates this will not be the case – **THE SCARE STORIES ARE WRONG!**

Nick Ledingham, Chairman of NASDAL, said, “there seems to be a great deal of ill-informed comment in dentistry that is unnecessarily frightening Associates. NASDAL are keen to be able to nip this in the bud and give dentists the facts.”

Lee Muter, Employment taxes partner at NASDAL accountant UNW LLP explained,

“The new rules in relation to the responsibility for applying IR35 which will apply from April 2020 will not apply to associates engaged directly by (large or medium) corporates or large non-corporates. The “original” IR35 rules still apply to those associates who have their own Limited Company and who are engaged by a small corporate – the original IR35 rules have been in place since 2000.

IR35 only needs to be considered if the associate uses their own limited company (or, in a very small number of cases, as a member of a partnership) which is in turn engaged by another legal entity.

If the associate is engaged by a small corporate through a limited company, the small corporate does not need to carry out a status determination on the associate. In this situation, the associate will need to determine their own employment status to see if IR35 applies to the income received from the small corporate.

The only situation where the new IR35 rules will apply is where the associate is engaged by a large or medium corporate or by a large non-corporate via their own Limited Company (or partnership) and:

- The role of the associate is not categorised as self-employed for tax purposes (i.e. the CEST test decision is of employment), and
- The associate works through a limited company (or partnership), and
- The above limited company (or partnership) is engaged by a large or medium “corporate” (sometimes via an agency)

A large or medium corporate is defined

- More than 50 employees;
- Turnover more than £10.2m
- Balance sheet assets more than £5.1m

If two out of the three above are met, then the corporate is medium/large.”

Alan Suggett, Media Officer of NASDAL added, “Now, more than ever before, it is vital that when considering tax matters, Associates and dentists seek the opinion of dental industry tax specialists, and not rely on ill-informed social media postings.”

## **ENDS**

Note to editors:

NASDAL, the National Association of Specialist Dental Accountants and Lawyers, was set up in 1998. It is an association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists. It is the pre-eminent centre of excellence for accounting, tax and legal matters concerning dentists. Its members are required to pass strict admission criteria, and it regulates the performance of its members to ensure high standards of technical knowledge and service.

Alan Suggett and Nick Ledingham, the Chairman of NASDAL, are both available for interview. To organise to speak to them or any other members of NASDAL for more information please contact Chris Baker.

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