

[Company Header/Logo]

[Date]

[Contractor Name]  
[Contractor Address]  
[City, Postcode]

## **Subject: IR35 Status Determination and Payroll Compliance Notification**

Dear [Contractor Name],

Following the review of your engagement with [Company Name] regarding the role of [Job Title/Project Name], we are writing to formally provide you with your Status Determination Statement (SDS) as required under the Intermediaries Legislation (IR35).

### **1. Status Determination**

After assessing the working practices and contractual terms, it has been determined that your engagement is classified as: **[Inside IR35 / Outside IR35]**.

### **2. Reasoning for Determination**

This decision was reached based on the following factors:

- **Substitution:** [Detail whether a right to provide a substitute exists and is valid].
- **Control:** [Detail the level of supervision, direction, and control over how work is performed].
- **Mutuality of Obligation:** [Detail whether there is an obligation to provide and accept work].
- **Financial Risk/Integration:** [Detail other relevant factors].

### **3. Payroll and Tax Compliance**

[If Inside IR35]: As your engagement falls "Inside IR35," [Company Name] or the designated Fee-Payer is legally required to deduct Income Tax and Employee National Insurance contributions at source via PAYE before payment is made to your Limited Company or Umbrella Company.

[If Outside IR35]: As your engagement falls "Outside IR35," you remain responsible for your own tax affairs and National Insurance contributions. Payments will be made gross upon receipt of a valid invoice.

### **4. Dispute Process**

If you disagree with this determination, you have the right to appeal. Please submit your representations in writing to [Name/Department] within [Number] days. We will provide a response within 45 days of receipt.

Please sign and return a copy of this letter to acknowledge receipt of this determination.

Yours sincerely,

[Signature]

[Name of Authorized Representative]

[Title]

[Company Name]

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**Contractor Acknowledgment:**

I confirm receipt of this Status Determination Statement.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_