

## **Sole traders & Incorporated contractors**

This fact sheet is intended to serve as a guide to contractors of The Harten Group Limited (THG).

### **UNINCORPORATED (Sole Traders)**

- As a contractor to THG, special tax provisions oblige THG to deduct PAYE and Class I NIC from payments made to you by deeming you to be an employee of THG.
- The only circumstances where THG would not automatically deduct PAYE and NIC is where the contractor obtains a letter from the Inland Revenue Status Office at Peterborough (contact The Harten Group directly for further information in this instance) which clearly states:
  - The individual's name and tax reference number. The number will usually take the form of a ten-digit reference with the Revenue term Unique Tax Reference or UTR.
  - That the inspector is willing to accept the individual is self-employed with regard to the specific project and specifically directs THG not to deduct PAYE or NIC.
  - Alternatively, THG may elect to pay self-employed contractor gross if the project/contract has been assessed as self-employed. Clarification of uncertain cases may need the Inland Revenue's opinion.

These special provisions only deem you to be employees of THG, they do not alter the actual legal status of your relationship with THG.

### **INCORPORATED CONTRACTORS (Individuals using their own Limited or Unlimited Companies) AND PARTNERSHIPS**

- Will be paid gross by THG provided the invoice from your company includes your company registration number. This is not necessary in the case of a Partnership.
- The VAT element of any invoice presented to THG will only be paid if the invoice includes:
  - Company / Partnership VAT registration number
  - Date and VAT tax point