



Sapphire
CONTRACTING

CIS



Construction Industry Scheme (CIS)

We ensure making the move to become self-employed is a simple and easy process for your contractors. The sapphire team are experienced and fully compliant providing support for thousands of clients using the Construction Industry Scheme. You will be safe in knowledge that we're experts in the Offshore and Onshore Intermediaries legislation, we will carry out our own Supervision, Direction and Control tests and we will ensure the correct CIS deductions are calculated under each contractors own personal Unique Tax Reference number and paid to HMRC each month. We will also process expenses for any job materials and provide the contractors with a statement of earnings.

Benefit from:



FCSA Accredited



Insurance is included: £10m Public Liability and £5m Professional Indemnity



Supervision, Direction and Control tests



On-going status checks and reminders



Quick and easy same day setup



Expert advice



UTR verification



No minimum contract length



Same day payments



Specialists in CIS Personal Tax Returns



Payment text alerts

CIS, SDC and Our Process

Understanding the Essentials: CIS and SDC

Understanding the core concepts of the Construction Industry Scheme (CIS) and Supervision, Direction, and Control (SDC) is paramount, allow us to explain what CIS, SDC are and our process in more detail.

The Scope of CIS:

The Construction Industry Scheme can apply when your work encompasses construction, alteration, repair, extension, demolition, or dismantling of buildings or structures (whether permanent or not), including offshore installations.

[Please see full details here.](#)

The Role of Subcontracting and Intermediaries:

As a rule, the recruitment agency subcontracts the work to a contractor intermediary such as Sapphire who will then subcontract the work on a Contract for Services to unincorporated Self-Employed individuals and pay them under the scope of CIS via their Unique Tax Reference numbers.

Crucial Tests for Self-Employment:

When determining self-employment, two key tests matter: Employment Status test and the Supervision, Direction, and Control (SDC) test. Sapphire handles both of these tests as part of our sign-up and ongoing engagement procedures. SDC is important, especially for recruitment agencies as they must ensure their CIS payroll provider follows strict rules to stay compliant, as they carry the risk.

It's also important to note that if a recruitment agency is not in the supply chain, and an end client pays CIS contractors directly then the risk would fall to them. Please refer to our guide on [Employment Intermediaries & False Self-Employment.](#)

CLARITY IN DETERMINING SDC:

Sapphire's Process

SDC Assessment

Our evolved SDC Assessment questionnaire has been refined since the inception of the Onshore Intermediaries Legislation in April 2014. It started with just 4 core questions, all of which are 'auto fails' if answered adversely.

- **Job Title:** To establish your skill level.
- **Assignment Pay Rate:** Above £14/hour, setting a minimum threshold
- **Nature of Work:** Do you receive instructions on how to perform your job?
- **Assignment Flexibility:** Can you be assigned tasks beyond the current project?

Our process for the registration and ongoing engagement of Self-Employed subcontractors.

- **Self-Employment History:** Have you worked under CIS before? Are you aware of the implications?
- **HMRC Registration:** Are you registered as self-employed with a UTR number or as a sub-contractor for CIS?
- **Understanding Self-Employment:** We ensure your grasp the ins and outs of self-employment.
- **Long-Term Goals:** We explore your intentions beyond this assignment.

- **Commercial Experience:** Your client history, income details, and past engagements.
- **Rights and Responsibilities:** A clear understanding of self-employment rights and obligations.

Ongoing Employment Status Check

Our Employment Status test conducted post-payment and every six months thereafter.

- **Substitution Possibility:** Can someone with your skills replace you on an assignment?
- **Work Flexibility:** Are you exclusive to this client or free to work elsewhere
- **Control and Direction:** Are you supervised or controlled in your work
- **Responsibility for Quality:** Are you accountable for rectifying defects?
- **Employment Rights:** You're aware of the absence of statutory employment benefits
- **Tax Responsibility:** You handle tax reporting and payments to HMRC
- **HMRC Evidence:** Sharing your self-employed registration proof

Rest easy knowing that Sapphire is FCSA assessed and accredited for CIS. We ensure that we adhere to their set process from up front checks to ongoing compliance assessments, to ensure there's no risk to you and your business.

01625 539 997

wearesapphire.co.uk

support@sapphireorg.co.uk

Bramhall House,
14 Ack Lane East, Bramhall,
Stockport, Cheshire, SK7 2BY



Sapphire

CONTRACTING