

STATUS DETERMINATION STATEMENTS (SDS) A GUIDE FOR CONTRACTORS

WE ANSWER THE FOLLOWING QUESTIONS:

1. IF THE CLIENT IS NOT SMALL OR BASED OVERSEAS HAVE YOU BEEN
ISSUED WITH AN SDS?

&

2. HOW DO I APPEAL THE SDS?



If the client is not small or based overseas have you been issued with an SDS?

If not exempt as a small company or based wholly overseas, then an SDS must be completed by the client for every contract agreed with an agency or contractor. The SDS must be issued prior to the first payment being made to the contractor and the client must use reasonable care in making the assessment.

How do I appeal the SDS?

The contractor has the right to appeal, and the client must have a process to consider any appeals. Where the contractor contests the SDS, the client must respond to the worker within 45 days. If the client concludes that the original SDS is correct it must provide reasons for its conclusion, whilst if the client concludes that its initial SDS was incorrect, it must issue a new SDS. Failure to respond to the worker within the 45 days may result in the client being treated as the fee-payer and becoming liable for tax and NIC.