



John McDonnell  
Shadow Chancellor  
Labour Party  
105 Victoria Street  
Westminster  
London  
SW1E 6QT

26th November 2019

**URGENT: Clarification needed on Labour position**

Dear John,

I am writing on behalf of the **Stop The Off-Payroll campaign** and thousands of UK contractors and freelancers. The campaign is supported by ContractorCalculator, The Freelancer & Contractor Services Association (FCSA), the Forum of Private Business, IT Contracting, PRISM Trade Association as well as contracting sector firms and 2000 individual contractors who are active supporters of the campaign.

**We are writing as a matter of urgency to clarify the position of the Labour Party in relation to the 'off-payroll rules', the Off-Payroll Tax - which the Conservatives are intent on introducing - their intention being it should come into force from April 2020.**

Following a hustings last night organised by IPSE (The Association of Independent Professionals and the Self-Employed) Bill Esterson, a Labour Shadow Minister, stated on Twitter that it was Labour's position that the IR35 off-payroll roll-out would **NOT** happen and that the IR35 legislation would be reviewed.

There was no mention of this in the Labour election manifesto, however this may be because it is a policy that the Conservatives have not yet introduced.

**We hope that you can now publicly clarify if Mr Esterson's comments are correct and that the Labour Party are committed to halting the Off-Payroll Tax roll-out and reviewing how best to recognised contracting and freelancing in the tax system.**

This would be excellent news for the UK's contract and freelance workers and would show that the Labour Party is committed to supporting them. The Liberal Democrats have committed to this position, whilst it seems that the Conservatives are intent on pushing this ill-considered policy through and waging what's being termed as a 'war on contracting'. So we hope that Labour will now make this public policy commitment, following Mr Esterson's very positive tweet.

The Off-Payroll Tax would decimate contracting in the UK. HMRC have admitted that 153,000 UK contractors will see a pay cut of around a fifth of their income, which will cause hardship for some and a drop in living standards for them all. Many contract workers would be pushed into paying taxes as if they were employees, without receiving any of the benefits of employment including sick and holiday pay.

The Conservative Government and HMRC have disgracefully ignored (and worse still misrepresented) evidence showing that the Off-Payroll Tax continues to have a damaging impact in the public sector - the changes have seen many highly skilled, flexible workers abandon the public sector and flexible working completely, resulting in delays to, and even abandonment of projects due to acute skills shortages.

An extension of the Off-Payroll Tax will cause even further damage to the UK labour market, damage that is already materialising. Large companies are already laying off contractors, and some are moving contracts abroad, leading to a loss of skilled roles in the UK, directly due to a proposed Conservative Government's policy.

So we hope that Bill Esterson was correct and that Labour will publicly commit to halt the Off-Payroll Tax roll-out. Labour MPs, particularly Ged Killen, Paul Sweeney and Faisal Rahid, have already been very supportive and this is hugely welcomed by the UK's contractors and freelancers.

So we hope that the Labour Party will now publicly make clear that this is the party's position in the election. The support of UK contractors, freelancers recruiters and businesses depends on this.

Yours sincerely,



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CEO ContractorCalculator

