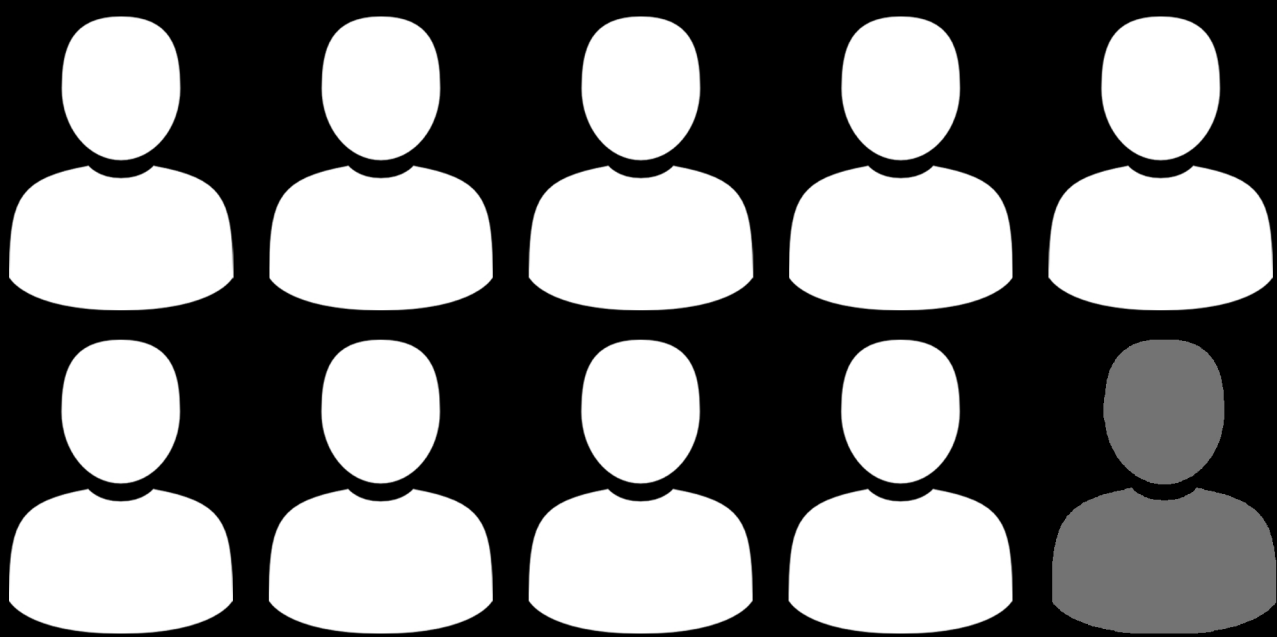# key learnings from develop's
IR35
report

Private sector IR35 reform is just around the corner. After a year-long delay, we canvassed the thoughts of employers and contractors to gain a better understanding of their position ahead of the change. Approaches to the reforms are mixed, as is the messaging surrounding it, but there is a clear and evident path forward for those looking to continue making the most of contract talent.

9 in 10 contractors

are worried about reduced income post-IR35 reform. It is estimated that around 170,000 contractors will end up with a bigger tax bill, averaging an extra

£24,981

per year for a contractor with a day rate of £500.

2,636   **19,794**

total contractor roles currently in software engineering

all contractor roles within the IT sector

More than half (55%) of UK contractors said they would be more open to contracting opportunities outside of the UK following changes to legislation.

£410,000,000

of additional tax revenue has been generated by IR35 legislation in public sector contracting, according to the UK Government. In comparison, Amazon paid £293m in tax on revenue of £13.7 billion last year, and will continue to avoid the UK's digital services tax.

63%

believe that opportunities will decrease once IR35 reform is introduced to the private sector in April.

"IR35 was something [the government] prepared for in 2019 - pre-delay - and they're not willing to re-examine their plans despite our working world changing completely in the past 12 months."

a private sector contractor surveyed by develop, 2021

94% of contractors

reported an increase in remote working over the past 12 months. While rules on being in the office will eventually change, many aspects of flexible working are likely to stick around in the post-pandemic world, which can drastically alter an IR35 determination.

our IR35 solution helps you to hire the best talent to faciliate growth while mitigating the riks in light of changes to private sector legislation. Our solution is simple and free to **develop.** clients. Read our IR35 report for more information on how we can help.

develop.

the talent partner of choice for the software engineering community.

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