

No change to status tests

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Back in 2018, the Government launched a consultation on whether the tests for determining status for employment and tax purposes were appropriate, including whether the different employment and tax tests should be aligned. Over four years later, we now have the Government’s [response](#) to this consultation. Despite a reference to the complexity of the tests, an acknowledgement that they can be unclear, and the previous Government commitment towards alignment and improving clarity, no such changes are currently proposed. The pandemic has been largely blamed for this – “the benefits of creating a new framework for employment status are currently outweighed by the risk associated with legislative reform. Whilst such reform could help bring clarity in the long term, it might create cost and uncertainty for businesses in the short term, at a time where they are focussing on recovering from the pandemic”. Further, the Government has referred to the greater “clarity” provided by the Supreme Court’s decision in *Uber BV and others v Aslam and others*, considering it appropriate to allow the impact of this decision to take effect, before considering further intervention.

Enhanced Government guidance has, however, been published to “demystify” case law and make it easier for individuals to work out their own status. A link to this guidance can be found [here](#).

Status determinations are notoriously complex and fact specific. Whilst the previous indications had been for reform in this area to simplify and align the applicable tests, this Response indicates that there are no current plans for the same. Employers will therefore need to continue to make status determinations for employment and tax purposes based on the existing applicable statutory wording and case law interpretations.

Contact



Mark Hickson

Head of Business Development

onlineteaminbox@brownejacobson.com

+44 (0)370 270 6000

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