Agency workers: key information document

Employment Tax

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There is a new requirement for employment agencies to provide new agency workers with information in the form of a document to be known as a ‘key information document’.

From 6 April 2020, employment agencies will be required to provide new agency workers with a document known as a ‘key information document’ prior to signing them up. This requirement is set out in regulation 13A of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (as amended by Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2019.

The Matthew Taylor Review of modern employment practices identified transparency of information, particularly around pay, fees and deductions, as a big issue for agency workers.

The key information document is intended to help agency workers make informed decisions about whether to take on work. The proposal was warmly welcomed by LITRG in our consultation response.

Guidance has been released on GOV.UK, to help employment agencies understand what is required in order to comply with the new requirement and has seven sections as follows:

- format, timing and frequency of key information documents;
- information to include for a standard employment business: agency worker relationship (that is Pay As You Earn (PAYE));
- when additional information is required for the key information document;
- information to include when an intermediary or umbrella company is involved;

- key information documents for workers signing on as personal service companies;
- changes to key information documents; and
- enforcement of the new regulation.

There are also templates (https://tinyurl.com/y4ulgekc) to assist agencies with the new process, which cover PAYE agency workers, agency workers paid via an umbrella company and agency workers who provide their services via a personal service company.

The guidance and templates will also be useful for end clients, intermediaries in the supply chain, agency workers – and, of course, advisers of such.
The Employment Agency Standards inspectorate will enforce the new requirement, which comes in at the same time as changes to the rules around written statements. From 6 April 2020, new agency workers (whether classed as employees or ‘workers’) will be entitled to both a key information document and a written statement of employment particulars.