

The Conduct of Employment Agencies & Employment Businesses Regs:

Why you must send the OPT OUT invite to all contractors

What are they?

A legal framework that governs the conduct of all recruitment agencies

Why do we need an Opt Out?

A valid Opt Out must be received BEFORE the start date otherwise it's an automatic Opt In which is not great for the agency for the following reasons:

- You will not be entitled to a transfer fee if the candidate goes perm after 12 weeks
- if the client fails to pay us we still have to pay the contractor for the hours they worked which may impact your commission!

IMPORTANT: A worker can only be invited to "Opt Out" of the Regs – they cannot not be coerced or forced to even though we want them to opt out!

There is more benefit to a limited company worker if they opt out because:

- it looks better from an IR35 out of scope position as they won't have the protection of the regs and exercises an element of financial risk
- Opting out can provide more flexibility as the regs impose certain admin requirements around providing proof of qualifications and experience.

What do I need to do?

- Send the Opt Out in plenty of time of the start date - we must receive it back before they start.
- Use the "Umbrella Opt Out" email template if they are going through an umbrella company. Also CC in the umbrella company.
- Send the "Ltd Co Opt Out" to limited company contractors - they must send it back on behalf of them as an individual and for the limited company.