



**For release: immediately**

### **Employment status of Associates**

There has been an outbreak of discussion again in recent weeks in regard to the employment status of dental associates. This is nothing new and indeed there have been many instances where this subject has been debated stretching back over the last fifteen years or so.

Currently, the tax status of Associates in the eyes of HM Revenue & Customs is very clear.

As things currently stand (June 2017), HMRC guidance contained in "Employment Status Manual ESM4030 Particular occupations: dentists" states:

*"It should be noted that there are standard forms of agreement for 'associate' dentists which have been approved by the British Dental Association (BDA) and the Dental Practitioners Association (DPA) (sic). These agreements relate to dentists practicing as associates in premises run by another dentist. Where these agreements are used and the terms are followed, the income of the associate dentist is assessable under trading income rules and not as employment income. In these circumstances the dentist is liable for Class 2/4 NICs and not Class 1 NICs.*

*The NHS General Dental Services Contract, which came into force from 1 April 2006, provides for less fluctuation in Associate Dentist's income. However, providing the Associate Dentist continues to be responsible for paying their share of laboratory fees etc. for work relating to their patients and other terms of the standard agreement are followed, the above guidance will still apply."*

NASDAL Chairman Nick Ledingham added, "it does seem that HMRC remain content that as long as dentists follow the rules and use a BDA approved contract, the vast majority of Associates continue to be regarded as self-employed. This makes perfect sense as one of the key defining points of self-employment is an element of risk which of course all Associates take on board as they are responsible for all the treatment that they have provided."

**ENDS**

Note to editors:

NASDAL, the National Association of Specialist Dental Accountants and Lawyers, was set up in 1998. It is an association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists. It is the pre-eminent centre of excellence for accounting, tax and legal matters concerning dentists. Its members are required to pass strict admission criteria, and it regulates the performance of its members to ensure high standards of technical knowledge and service.

Nick Ledingham, the Chairman of NASDAL, is available for interview. To organise to speak to him or any other members of NASDAL for more information please contact Chris Baker.

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