

PCG Members Letter, ref. leaving the UK

Miss Anne Begg, MP
Houses of Parliament
Westminster
London
SW1A 0AA

19 November, 1999

Cc:

Rt. Hon Tony Blair
Rt. Hon Gordon Brown
Ms. Dawn Primarolo
Ms. Patricia Hewitt
Rt. Hon William Hague
Rt. Hon Francis Maude
Professional Contractors Group

Dear Miss. Begg

When I attended your recent surgery in Cove, I promised to let you know how IR35 would effect me.

I am pleased to say that it will, in fact, have no effect as I have obtained a contract with a top Internet solutions company in New York, for which I must thank the Government – without IR35 I would never have been looking. It will, of course, have an effect on the UK. I have over 20 years of experience in the IT industry and have been working with Internet technology since long before most people had even heard of it. I have a degree in Computer Science, am a member of the British Computer Society and a Chartered Engineer.

Given your Government's professed declarations of support for Information Technology and, in particular, Internet Technologies, I wonder if my skills are really the sort that you want to drive away from the UK.

On the tax front, you may wish to pass the following information on to the Treasury, to help them calculate how much revenue they will lose through IR35.

As my family will be emigrating with me, you will lose my wife's taxes as well as my own, so I've included her payments as well.

Between the two of us, last year we paid some £26,000 in Corporation Tax, Income Tax, and National Insurance. That figure is likely to be higher for the current tax year, so I would estimate a net loss to the Inland Revenue of some £30,000, plus of course, the indirect taxes from our disposable income, which will no longer be spent in the UK.

Recent survey's have shown that between 30% and 50% of the best IT consultants in the UK are also seriously considering emigration. I leave it as an exercise for the Treasury to calculate the total tax loss.

The UK will also be losing a very experienced primary school teacher. My wife is a supply teacher who is constantly being asked back to take some of the most difficult primary school classes in Aberdeen, as she is capable of managing them.

You may also recall meeting pupils from Aberdeen schools who were invited to meet Mrs. Blair at No. 10 Downing Street, among whom was my little daughter Fiona, one of the pupils that Kincorth Academy were expecting to improve their results. Needless to say, this will not now happen.

Yours sincerely,

(Name withheld)