



Foremans (UK) Limited

Limited Company or Umbrella?

A Comparative Guide



Foremans (UK) Ltd
Professional Umbrella Solutions



Limited Company V Umbrella

Maximising your take-home pay is not the only thing to think about when choosing a payment structure to suit your needs. This guide provides an outline of other factors you may wish to consider.

	<u>Limited Company</u>	<u>Umbrella Company</u>
Contractor Status	Director / Shareholder	Employee
Responsibility	Compliance with all company and statutory issues.	No responsibility for company
Taxation	Self assessment income tax return. Company Corporation Tax return.	Tax and NI paid through PAYE deducted by employer
Administration	Chase debts Run accounting system Administer bank account Liaise with: <ul style="list-style-type: none">• HMRC• Companies House• Customers• Suppliers	Not responsible for accountancy, taxation or administration of Umbrella company.
Time sheets	Raise invoices to customers	Submit time sheets to Umbrella for processing.
Company Control	Complete control	Employee
IR35	n/a	n/a
Financially	Minimise tax liability by being able to pay self in most tax efficient manner. Increase net income.	All income subject to PAYE / NI. Increase net income.
Expenses	Claim expenses incurred as employee in course of business as tax free - own control.	Claim expenses incurred as employee in course of business as tax free - may be restricted by Umbrella company.





An **Umbrella Company**, like Foremans (UK) Ltd, is an alternative to being paid PAYE by your client or agency that is equally safe and compliant. You become an employee of the umbrella company and benefit from all the statutory rights that go with it. The advantage of an umbrella company is that you can also claim business related expenses that have been incurred. The umbrella company is something of a half way house, easy to enter, easy to leave and relatively simple for you to comply with administrative requirements.

A **Limited Company** is an alternative for professional contractors to being paid PAYE or umbrella by your client or agency. You are the owner of your own business and make all the decisions. There financial rewards could be a lot greater but there is also increased administration and responsibility. The benefits of trading with limited liability are numerous but they centre around improved marketability, risk management and a more favourable tax treatment.

The attached guide will help you with the basics but ultimately your choice will depend on your personal circumstances, longer term intentions, income and in most cases more detailed advice.

**Why not telephone for a no obligation discussion about your circumstances:
01244 625 555.**



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