

## Working as an Umbrella Company

Umbrella companies are an excellent compromise for those contractors wishing to increase their earnings whilst undertaking temporary positions, but who do not want to commit themselves to the administrative burden /added responsibilities involved in a personal service company.

Companies providing umbrella services operate on behalf of several contractors at the same time. The contractors become employees of the umbrella company and contracts of employment are made between the contractor and the agency or client and the umbrella company. The umbrella company will issue invoices on your behalf, collect payments from clients or agencies, calculate your tax and National Insurance contributions and pay them directly into your bank account.

### **Using an umbrella company solution offers a number of advantages;**

- Perfect for those contractors who want a quick and easy start-up method
- Provides contractors with a simple, cost-effective solution when they take on short term contracts between permanent assignments.
- A solution for contractors caught by IR35 tax regulations. The umbrella is a legal, tax-efficient way to avoid IR35.

BCL Legal has an online portal with Giant Group [www.giantgroup.com](http://www.giantgroup.com). You will be given a unique password and username so that you can access assignment details, view established terms and conditions and enter your non-billable expenses.

For further information please contact us at [temps@bclegal.com](mailto:temps@bclegal.com) or telephone **0845 241 0933** or visit [www.bclegal.com](http://www.bclegal.com)

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