

How to become a Contractor

Thinking of becoming a Contractor?

Advantages and Disadvantages of Contracting

Build an Award Winning CV
Top 5 CV Tips
Top eCV Keywords

Be Great at Interviews
Interview Strategies - One
Interview Strategies - Two

Moving from Permanent to Contracting

Contractor FAQ

Download your 'Guide to Contracting'

IT Contractor Rate Check

Appoint an Accountant who:

Provides you with your own dedicated accountant

Is a specialist in the contractor market

Provides the opportunity to meet your accountant

Nationwide offices

Offers a low cost all inclusive fixed fee

Offers a money back guarantee

Award winning service - Like the following SJD have won:

Limited or Umbrella?

Limited Company	PAYE Umbrella
Advantages	Advantages
The most tax efficient way of working	Very easy to use, you simply enter your timesheet and expense details and wait to be paid
Claim a wider range of expenses	All tax and NI is deducted before you receive your money, so you will have no further taxes to pay.
Access to the Flat Rate VAT scheme	Ideal for short term contracts
You keep complete control of your financial affairs meaning you do not have to risk your money with any third party administrator	Ideal for contracts less than £25k per year
Running your own business isn't difficult; submit spreadsheets to your accountant - just like umbrella time-sheets and expenses	Good if you are unsure if contracting is for you and you're really just in between permanent jobs
Greater opportunity for tax planning than PAYE Umbrella	Someone else will be doing all the paperwork
Disadvantages	Disadvantages
There is a certain amount of paperwork involved, usually about 10 - 15 minutes per month	The most expensive way of working. You will receive a salary that is subject to full PAYE Tax and NI
Can be costly if you contract for a very short period of time, then go back to permanent employment	You are reliant on the umbrella company to collect your money from the client or agent and then to pay it on to you
Not ideal for contracts less than £25k per year	

Take Home Pay - Limited vs Umbrella

Daily Rate	Umbrella Company Monthly Take Home Pay	Limited Company Monthly Take Home Pay	Increased Income by Going Limited
£200	£2,700	£3,400	£700
£300	£3,900	£5,000	£1,100
£400	£5,100	£6,500	£1,400
£600	£7,300	£9,500	£2,200



If you have any questions about contracting or would like any further advice, please call our new client services team on 0500 152500 / 01442 275789 or email jaime.thorpe@sjdaccountancy.com



SJD Accountancy