



Sauce Recruitments guide to Umbrella Companies

What is an umbrella company?

An umbrella company is an alternative to being paid PAYE by Sauce Recruitment and is equally safe and compliant. You become an employee of the umbrella company and receive all the statutory rights that go with it. In addition working through an umbrella company, you can claim expenses that you incur whilst going about your work. This in turn should improve your take home pay.

Why use an umbrella company?

If you opt to work through Sauce Recruitment you may be quoted 2 rates – one which will apply if you work as PAYE through our payroll and another, higher rate if you use an Umbrella Company or Limited Company.

The reason for the lower rate is because going PAYE through Sauce Recruitment means we take on all the employer responsibilities including the financial obligations that are involved.

Advantages of using an umbrella company?

- Very easy to use, you simply enter your timesheet and expense details and wait to be paid.
- All tax and NI is deducted before you receive your money, so you will have no further taxes to pay.
- Ideal for short term contracts.
- Ideal for contracts less than £25k per year.
- Good if you are unsure if contracting is for you and you're really just in between permanent jobs.
- Someone else will be doing all the paperwork.

Which umbrella company should I choose?

When you are looking for an Umbrella Company there are a number of things that you should bear in mind:

Essentially, Umbrella Companies are all governed by the Inland Revenue. This means that your earnings with one cannot be any higher than they would be with another; the only variance should be the fees that the Umbrella Company charges.

A reputable Umbrella Company should not charge you according to what you earn. There is no more work involved, for the Umbrella Company, if you earn £50 per day or £500 per day. If you are quoted a percentage of your earnings as a fee you should ensure, through careful calculation that you will still be paying a reasonable amount – average fees are between £15 and £25 per week.

There are many umbrella companies out there but the best selection process is probably thru recommendations.

Sauce Recruitments recommended umbrella companies?

The choice is yours and Sauce will work with Umbrella Company you wish to work with. However we have a long term working relationship with Focused consulting.

About Focused Consulting

Focused Consulting

With over 40 years experience in the market we are focused on providing our employees with an efficient and fully compliant service. We will look after your tax affairs so that you can concentrate on your contracts, safe in the knowledge that you have a secure payment method that is entirely transparent and hassle free.

Our team of advisers are able to explain in detail how we work, but whether you are new to contracting or an experienced freelancer we are sure that you will find working with us will make your contracts stress free and rewarding.

With a truly personal approach tailored to your personal circumstances, we save you time and money, allowing you to focus on your assignment.

Employees Benefits:

- Increase in weekly take home pay of around 20%
- Unique HMRC approved non receipted expenses policy
- Free health cover
- Free life cover
- Free critical illness cover
- Stakeholder pension
- Simple timesheet process
- Fast weekly payments with SMS notifications
- Simple online portal giving you total control