

grant



## What is an umbrella company?

An umbrella company gives you the joys of being independent, with the benefits of permanent employment. It's freedom – with security!  
But not all umbrellas are the same.



**An umbrella company employs workers – contractors, freelancers, supply teachers, locums – who work on temporary assignments for various end-clients. The idea? You have an official ‘umbrella’ that spans short-term contracts, job changes, even gaps between jobs.**

Your umbrella company processes your PAYE (Pay As You Earn) and NI (National Insurance), so there are no surprise tax bills. You may be eligible to claim allowable business expenses, which helps you make the most of your income. Most importantly, as a permanent employee, you get statutory employment rights and rewards.

# take home: how much?

weekly  
assignment  
income

agency PAYE  
weekly take  
home

umbrella  
weekly take  
home\*

limited  
company weekly  
take home\*\*

£750	£518	£540	£634
£1,000	£658	£689	£834
£1,250	£758	£818	£993
£1,500	£913	£945	£1,147

\* based on average weekly expenses

\*\* based on average weekly expenses and operating outside of IR35

## Is umbrella the way to go?

You might say **yes** to umbrella employment if...

- **you're earning up to £18 per hour**
- **you'll be contracting for less than 12 months in total**
- **you want your admin smaller and your income bigger**
- **you'd like to enjoy the flexibility, freedom and financial benefits that permanent staffers dream about**

If you think you'll be contracting for longer than 12 months, earning more than £18 per hour, and you're happy to take on the responsibilities of a director, you might want to consider having your own limited company.

## Are all umbrellas the same? Not at all.

Things you can compare...

- **take-home pay** – what's left in your pocket, including holiday pay and Gap Pay
- **support** – being looked after by the right people and the right technology
- **net margin** – how much an umbrella company retains
- **stability** – track record, compliance and trust are vital for the safety of your money
- **security** – what insurances and back-up do you get?
- **popularity** – what do other contractors say?
- **employee benefits** – pensions, specialist contractor mortgage advice, discount shopping, rewards...





## About expenses – what you need to know

Business expenses are costs you incur wholly, exclusively and necessarily to carry out your work during your umbrella employment. Before allowing any expense claims, HMRC wants to be sure. Wholly. Exclusively. Necessarily. So a phone you use for personal and business calls is not wholly or exclusively an expense for your work. Safety work-wear may be necessary, but a new work suit isn't. Reasonable subsistence while you're working away from home is necessary, but treating your team to lunch isn't.

For daily scale rates set by HMRC, you can claim without sending in your subsistence receipts. (But you need to keep them for auditing.) For all other business expenses, you need to keep, and submit, your receipts and itemised bills.

If an umbrella company offers you an expense allowance that looks too good to be true, it probably is just that. Don't risk it.

## What is Gap Pay?

Ahead of the rest, **giant** was the first ever professional umbrella employer to offer Gap Pay. Who else does that, even now? Possibly no-one! That shows **giant's** commitment to worker rights. As a **giant** employee, you're entitled to 7 hours of Gap Pay at the basic rate, as well as holiday pay when you're between assignments. To receive Gap Pay, certain criteria need to be fulfilled – they're clearly outlined in the HR documents provided upon joining **giant**.





## Why giant umbrella?

Here are some highlights...

- **excellent super-fast take-home pay – even Gap Pay!**
- **all your statutory payments** (holiday, sickness, parental...)
- **dedicated personal advice, HR support and smart technology**
- **competitive net margin**
- **exceptional financial stability** (you don't have to worry about being paid)
- **all the security you need – a £20m insurance package for any one claim**
- **our employee discount and reward scheme giant advantage can save you £1000 a year**

## About giant

We've been looking after contract workers and recruitment agencies since 1992. We are founders and partners of the professional associations your industry needs. Our watchword is compliance. We pioneered the dedicated technology and support that others imitate. (Yes, we're geeks.) We anticipate changes in legislation and employment trends. We win awards. All this means that you get the very best. Personal attention. Technology. Expertise. Security. Trust. Speed. Accuracy. And the power of niceness!



Boost your employee power  
with **giant umbrella**:

call **0844 324 7700**  
email **enquiries@giantgroup.com**  
visit **www.giantgroup.com**

**giant umbrella**: five times  
independently voted Best Umbrella  
by readers of *Contractor UK*

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