



# Umbrella or Limited Company

## Which is better for me?

**cinch**

We see to it.

Umbrella 	Limited 
<b>PAPERWORK / ADMIN</b>	
There's very little admin, just submit your timesheets and log your expenses claims.	There is around 30 minutes of admin per month to do, for which you are responsible. Your accountant will help you with this.
<b>HOW DOES IT WORK?</b>	
Your agency will pay us, the umbrella company, and then we as your employer pay you.	Your agency will make payment directly into your company bank account for which you are responsible. Your accountant will assist with your bookkeeping.
<b>HOW IS TAX CALCULATED?</b>	
As an employee of the umbrella you pay employee tax and NI which is calculated and paid across to HMRC on your behalf.	As a company director you set your own salary and dividend amounts. Any tax due will be advised by your accountant so that you can make the relevant payments to HMRC.

## In Brief...

The Umbrella option may be best for you if:

- Your rate of pay is less than £15ph
- You're not sure how long you are going to be contracting
- You want a quick set up ready for payment
- You're completely new to contracting
- You don't want any paperwork

A Limited company could be best if:

- Your rate is above £15ph
- You intend to contract for at least 12 months
- You fall outside IR35
- You have been contracting for some time either on your agency's own payroll or through an Umbrella Company
- You are comfortable doing around 30 minutes admin per month

For more information, say hi to our New Starter Team on 01925 594 929 or [newstarter@thecinchgroup.com](mailto:newstarter@thecinchgroup.com)

