

# Contractor Umbrella Pricing – Costs and Benefits to Consider

ContractorCalculator offers this free detailed checklist so you can find an umbrella provider with the expertise you need, and not pay over the odds.

With so many umbrella solution providers to choose from, how can you tell which one will best fulfil your needs? Is the provider what they say they are, or really an offshore tax solution? What will you end up paying and what will you actually get for your money? Does the umbrella company have a solution for the Agency Workers Regulations (AWR)? Has the take-home pay calculation provided been inflated by employee benefits packages?

ContractorCalculator has created this checklist, so you can be sure you have asked your next umbrella service provider all the right questions. You can either send the checklist out and ask the provider to fill in the boxes, or use it to jog your memory when talking to a provider or doing online research.

Umbrella providers who support this checklist include:



Would you like to see **your logo here**, absolutely **free of charge**?

If you are an umbrella company service provider and would like to support the use of this checklist in the contractor market, then please [contact us](mailto:office@contractorcalculator.co.uk) – office@contractorcalculator.co.uk.

## About the umbrella services provider

Question	Answer
Do you offer a full employment service for contractors?	Yes/No
How many years have you been supplying services to contractors?	years
Do you offer and advise on alternative structures for contractors, other than a PAYE umbrella solution?	Yes/No
At any point using your service, does the money you collect on my behalf from the agency or client get moved to an overseas/offshore account?	Yes/No
Do you offer any other contractor services?	Yes/No
If you offer other services to contractors, what do these include?	(List)
Are you part of a larger group, and if so what is your parent company's name? What other 'sister' companies or subsidiaries are in the group?	Yes/No
Does payment involve any use of loans, foreign currency, or tax avoidance using double taxation treaties?	Yes/No
Are you registered as a tax avoidance scheme with HMRC?	Yes/No

## The margin structure

This section asks how much margin the umbrella solutions provider takes from your earnings. You may find some umbrella companies refer to margin as their fee.

Question	Answer
Your weekly gross margin?	£
Your monthly gross margin?	£
Do you charge extra for processing expenses? If yes, how much?	Yes/No - £
If you advertise your service as free, what is your business model that supports the free service? (e.g. claw-back from flat rate VAT, well-funded to gain market share and 'free' service is temporary, etc.)	
Is insurance included? If so, what insurance and to what levels?	Yes/No - £
If insurance is extra, how much does it cost and for what?	£
Do you incentivise in any way by cash or other forms of payment employment businesses and recruitment agencies for bringing you business?	Yes/No - £
Do your take-home pay calculations include a contribution from employee benefits packages, such as incentives/money-off bundles? If so, how much of your take-home pay calculation is attributable to such packages?	Yes/No - £

## Joining the umbrella provider – the process and what’s included:

Question	Answer	Included in standard fee?	If not included, additional fee?
Do you offer a full overarching contract of employment?		Yes/No	
Does your employment contract guarantee a minimum of 336 hours at the minimum wage, at least, over a 12-month period?		Yes/No	
In the event that my end-user client or agency becomes insolvent or is otherwise unable to meet its financial obligations, will you still pay me minimum wage?		Yes/No	
Do you pay the legal minimum wage without subsidy from expenses?		Yes/No	
Do you enter into pay-when-paid clauses with the agency?		Yes/No	
How long does it take to join and set up an account?		No of days	
How long does it take for you to sign contracts?		No of days	
How soon can I be up and running working on a live contract?		No of days	
Do I have a personal account manager?		Yes/No	
Do you verify my ID?		Yes/No	
Do you establish my right to work?		Yes/No	
Do you obtain an assignment schedule from the agency confirming the client workplace is temporary?		Yes/No	
Do you check whether my workplace is temporary for each new contract?		Yes/No	

## Ongoing services provided

### Expenses Process and Data Capture:

Question	Answer	Included in standard fee?	If not included, additional fee?
Is there an online system available to access and manage my account in real-time?	Yes/No		

Do you expect me to do any record keeping? If so, what?	Yes/No – details		
Do you use scale rates for expenses from HMRC?	Yes/No		
Do you have an expenses dispensation from HMRC?	Yes/No		
Do I have to keep receipts?	Yes/No		
Do I have to send you my receipts?	Yes/No		
Does your service limit me to only claiming scale rates?	Yes/No		
Do I have to record my expenses online?	Yes/No		
Can I buy capital items like laptops and reclaim VAT and tax?	Yes/No		
Do you manage contracts and obtain signatures electronically?	Yes/No		

### Salary and Payroll:

Question	Answer	Included in standard fee?	If not included, additional fee?
Do you pay me through PAYE?	Yes/No		
Do you pay my income tax and National Insurance Contributions direct to HMRC when they become due?	Yes/No		
Do you pay me minimum wage?	Yes/No		
Do you pay me minimum wage between contracts?	Yes/No		
Do you pay me when the agency/client pays, or on receipt of timesheet?	When Paid Yes/No		
How long can I expect to wait for payment from you?	No of Days		
If my client does not pay you, do I still get paid?	Yes/No		
Do you chase unpaid invoices?	Yes/No		
Will you chase unpaid invoices using debt recovery processes? If so, after how many days?	Yes/No, No of Days		
Do you pay me holiday pay on an ongoing basis?	Yes/No		
Are monthly payroll calculations included?	Yes/No		
Are monthly payslips produced in hard copy and posted?	Yes/No		
Are monthly payslips sent electronically via email or download?	Paper/ Online		
Is my annual P60 processed and despatched directly by you?	Yes/No		

Is my annual P11D processed and despatched by you?	Yes/No		
Can you do same-day transfers?	Yes/No		
What is the fee for same-day transfers?	£		£
Do you have a service level guarantee? Where can I find this?			

**Annual Tax Self Assessment:**

Question	Answer	Included in standard fee?	If not included, additional fee?
Self-assessment returns included?	Yes/No		

**Benefits of employment:**

Question	Answer	Included in standard fee?	If not included, additional fee?
Do you offer a salary sacrifice pension scheme?	Yes/No		
Do you operate pension auto-enrolment?	Yes/No		
Do you provide maternity/paternity benefits?	Yes/No		
Do you offer private health insurance?	Yes/No		
Do you offer life assurance and death-in-service payments?	Yes/No		
Do you offer critical illness cover?	Yes/No		
Do you provide childcare vouchers?	Yes/No		
Do you provide childcare vouchers between assignments when I am not being paid?	Yes/No		
Do you offer any other benefits of employment?	Yes/No		
Do you include the financial contribution of employee benefit packages in the take-home pay calculations you provide me with?	Yes/No		

**Agency Workers Regulations :**

Question	Answer
Does your umbrella company comply with the Agency Workers Regulations?	Yes/No
If yes, which of the following solutions do you offer: <ol style="list-style-type: none"> <li>1. Pay between assignments at minimum wage, which is also known as the Swedish Derogation?</li> <li>2. Matched permanent pay, when you match my pay with permanent staff after 12</li> </ol>	Yes/No Yes/No

weeks?	
Do you confirm in writing which solution you are applying?	Yes/No

## Help and Support:

Question	Answer	Included in standard fee?	If not included, additional fee?
Do you provide a full human resources support service, with qualified HR staff, in the event of any issues with the end-user client and/or in the workplace?	Yes/No		
Do you have an online support facility?	Yes/No		
Are telephone support calls included?	Yes/No		
Are unlimited face-to-face meetings available and included?	Yes/No		
Will my client manager be a fully qualified accountant?	Yes/No		
Are references for mortgages applications, etc, included?	Yes/No		

## Terminating employment

Question	Answer	Included in standard fee?	If not included, additional fee?
Are there penalties for terminating employment?	Yes/No		
Is there a minimum term of employment? If so, how long?	Yes/No		
What is the notice period for termination of the employment contract?	X months/weeks		
Are there penalties for terminating employment before the notice period has run?	Yes/No		
Are there any additional costs associated with leaving the supplier/resigning from the umbrella company employer?	Yes/No		
Do you pay any outstanding holiday pay without penalty on leaving your employment?	Yes/No		

## About ContractorCalculator

ContractorCalculator is “The Expert Guide to Contracting” website for UK contractors and freelancers. We have been online and independent since 1999, when we launched an online IR35 tax calculator to help contractors count the cost of the then newly released legislation.

Our ABCe-audited audience of regular readers (our last audit confirmed over 135,000 monthly unique visitors) is made up of contractors, freelancers, interims and consultants from the IT, telecoms, engineering, oil, gas and energy, business, marketing and medical sectors.

We publish a comprehensive range of essential online financial, salary and tax calculators, a professional news service, expert commentary and analysis from industry and sector leaders, and more than 1,000 online articles and contractor guides suitable for beginners and veterans.

We have also published the definitive guide to contracting – [\*The Contractors' Handbook: the expert guide for UK contractors and freelancers\*](#).

[www.contractorcalculator.co.uk](http://www.contractorcalculator.co.uk)

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