

Joining a contractor umbrella scheme

Introduction

The decision to use either a limited company or an umbrella company is discussed in our article '[Limited Company or Umbrella : Deciding on a payment structure](#)'. The topic of [choosing an umbrella](#) has also been covered.

This article discusses the standard steps required to joining an umbrella scheme.

Timing

You will need to have a firm offer from an agent before you can join most umbrella schemes.

After [choosing an umbrella](#) scheme to use the whole concept is based on simplicity, so there really is very little for you to do.

The process is very simple and most umbrellas will be able to set you up as a client within 24 hours.

Step 1: Inform your agent or client

You need to advise your agency or direct client the name of the umbrella company you are using, so that they can prepare their contract with the umbrella company's name as "contractor".

Step 2: Contract Preparation and Signing

The contract will usually be sent directly to the umbrella company by the agent. The umbrella company will arrange for it to be signed by their director and forwarded onto you for checking/countersignature as required.

Step 3: Personal and Bank Details

The umbrella company will also have a standard application form for you to advise them of your name, address and banking details for direct credit transfers to your account.

Step 4: Tax Details P45

You will need to send the umbrella company your form P45 from your last employer.

If you do not have a form P45 they will issue you a form P46, which will enable them to obtain a tax code to operate on the salary paid.

Step 5: Umbrella Contract



David Colom

Principal

D J Colom & Co Chartered Accountants

David Colom qualified as a Chartered Accountant in the City of London in 1981 and is the founder and principal of D J Colom & Co Chartered Accountants established in 1989.

Started specialising in serving IT contractors in 1993 and is now one of the longest standing suppliers of accountancy services to computer contractors. [Read Full Profile...](#)

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Some umbrella companies will ask you to sign their own standard contract between yourself as an individual employee/shareholder and themselves. This contract will specify the terms and conditions of the umbrella company service under which you agree to work and be paid.

Published: Friday, August 24, 2007

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