

# Contractor Consultation

## Financials (Annual)

|  |
|--|
| Total amount invoiced to agency  |
| Flat rate benefit  |
| Other income   |
| Brookson margin  |
| Salary sacrifice pension   |
| Employers cost   |
| Income / gross salary  |
| <br>   |
| PAYE   |
| PAYE (Personal allowance reduction)where income over £100k not included in calculation           |
| Employees national insurance   |
| Corporation tax  |
| Insurance  |
| Company pension  |
| Brookson fee   |
| Basic rate tax on dividends  |
| Higher rate tax on dividends   |
| Total costs  |
| <b>Take home pay where optimal tax planning has reduced higher rate tax to nil</b>               |
| <b>Percentage take home pay with additional tax planning</b>                                     |
| <b>Percentage take home pay with no tax planning which includes higher rate tax on dividends</b> |
| <b>Total package (Gross salary plus pension)</b>   |
| <b>Total value created (Net pay plus pension)</b>  |
| <b>Percentage total value created</b>  |

| Limited Company    | Umbrella           |
|--------------------|--------------------|
| £200,000.00        | £200,000.00        |
| -                  | -                  |
| -                  | -                  |
| -                  | -£1,040.00         |
| -                  | -                  |
| -                  | -£23,793.07        |
| <b>£200,000.00</b> | <b>£175,166.93</b> |
| £2,514.00          | £60,000.12         |
| -                  | £5,028.00          |
| £478.86            | £6,267.66          |
| £45,257.81         | -                  |
| -                  | -                  |
| -                  | -                  |
| £2,016.00          | -                  |
| £2,111.38          | -                  |
| £40,177.73         | -                  |
| <b>£92,555.78</b>  | <b>£66,267.78</b>  |
| <b>£150,135.95</b> | <b>£108,899.15</b> |
| 75%                | 54%                |
| 55%                | 0%                 |
| <b>£200,000.00</b> | <b>£175,166.93</b> |
| <b>£150,135.95</b> | <b>£108,899.15</b> |
| 75%                | 54%                |

### Limited Company Tax planning Opportunities to Create Additional Value

The take home pay does not include the deduction for the higher rate of tax on dividends of £40178

These opportunities can include one or a combination of: paying a dividend to a second shareholder; deferring taking dividends

### Umbrella Opportunities to Create Additional value

There are some attractive tax planning opportunities available to umbrella employees. There are benefits that can be obtained through salary sacrifice. This is highly tax efficient for every £1 you will pay for a benefit it may cost you as little as 50p deduction from your net pay.

Benefits we offer include salary sacrifice pension and access to the cycle to work scheme.



### Financial Services to Support You in Your Contracting Career

Brookson Financial is a FCA registered Financial Advisor. They are contractor specialist with products and services designed to meet the non typical needs of contractors. They offer income and employee benefit policies designed specifically for contractors. They work with mortgage providers that understand: there are breaks in contractor's assignments; how a contractor takes remuneration from a company: and the fact that contractors may work across umbrella and company working.

### The Ability to Work Tax Efficiently Across Both Limited Company and Umbrella

Following the implementation of the Off Payroll Legislation April 2021 the IR35 decision is made by end hirers. If you are a contractor wishing to work through a limited company it is increasingly likely that you could find yourself working limited company and umbrella in any given tax year. Future proof yourself by working with a provider that understands both umbrella and company working and critically can offer blended advice across both ways of working.