

Please Note: This communication is for informative purposes and may not affect you



We are aware that some 'umbrella' companies operate aggressive tax avoidance schemes, offering high levels of 'retention' – the amount you receive as a percentage of the total amount paid by the agency for your services.

HMRC have stepped up their efforts to crack down on such schemes, issuing several 'spotlights' and arresting promoters of fraudulent schemes designed to evade paying the loan charge.

We understand that HMRC may not have yet issued the loan charge notices to all people affected.

There is no immediate deadline for HMRC to issue these notices, however this uncertainty may cause concern for people who may previously have used 'loan schemes' at some point over the last 20 years.

At Your World, we recognise that some 'umbrella' companies may offer schemes with attractive levels of 'retention' – however we believe these come at a **considerable risk** to users of such schemes.

We have seen some 'umbrella' companies close down 'overnight', leaving their scheme users exposed to investigation by HMRC and significant financial liabilities.

At Your World, we don't want our agency workers to face significant financial liabilities from unpaid taxes, now or in the future.

We believe the safest method of payment is PAYE. We offer competitive rates in this regard, which can give you the best retention, and would urge you therefore to discuss this with your normal contact.

Umbrella companies are currently unregulated, although this is set to change in the future.

However, there is an industry body called the **FCSA** which runs an accreditation scheme for umbrella companies who wish to become members. Members have to pass strict audit criteria, meaning that they are operating correctly in accordance with HMRC rules.

Several clients have recently stated that agency workers at their premises, if paid through umbrella companies, **must use an FCSA registered umbrella company.**

Accordingly, if you prefer to use an umbrella company, **you should ask your umbrella company if it is FCSA registered**, as we believe this will offer you higher level of confidence that they are conducting their affairs appropriately.

If you wish to discuss this further, or want to change your payment method, please contact candidateservices@ywrec.com