

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



# Working through an umbrella company

HMRC has recently updated its guidance on what to expect when working through an umbrella company. Here is the link:

[Working through an umbrella company - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/working-through-an-umbrella-company)

Meanwhile, HMRC continues to add names to their list of promoters of tax avoidance schemes (“POTAS”).

The Frameworks who set the rules for the supply of staff to the NHS in the UK have informed all agencies to cease to use any payment scheme listed on this HMRC list, as well as the non-compliant activity being referred directly to HMRC, and end clients as required.

We continue to monitor for updates and inform you accordingly of any changes that may impact you. The latest list is here:

<https://www.gov.uk/government/publications/named-tax-avoidance-schemes-promoters-enablers-and-suppliers/current-list-of-named-tax-avoidance-schemes-promoters-enablers-and-suppliers>

Whilst many umbrella companies act compliantly, we have seen a number of umbrella companies suddenly close over the past year or so, typically due to irregularities with their tax affairs. This has left agency workers out of pocket in some cases.

When you choose to be paid through an umbrella company, you are responsible for ensuring that you are paying the correct amount of tax and national insurance.

Please be aware that the hourly rates we pay to umbrella companies covers everything they have to pay, including employer's national insurance, employer pension contributions, the apprenticeship levy and all holiday pay entitlements. Your umbrella company should be able to explain to you how these amounts are calculated for each payslip you receive.

Increasing numbers are choosing PAYE direct with Your World as their preferred payment method.

The benefits of working PAYE with Your World are:

- Get paid quickly - direct to your bank account the next working day
- Attractive Hourly rates
- Two free uniforms
- No annual compliance renewal costs
- No umbrella or accountancy fees
- Peace of mind that the correct level of tax and national insurance contributions will be paid to HMRC on your behalf

If you would like to discuss any of the above further, or have concerns about how you are paid by your umbrella company, please contact

[candidateservices@yourworld.com](mailto:candidateservices@yourworld.com).