



# Helping contractors maximise take-home pay (with Umbrella Company Considerations)

---

020 8432 0933 | [Info@myproumbrella.co.uk](mailto:Info@myproumbrella.co.uk) | [www.myproumbrella.com](http://www.myproumbrella.com)

---



Feeling like your pay-check shrinks after taxes and fees? You're not alone! This guide equips you, the savvy contractor, with the knowledge to maximise your take-home pay and keep more of what you earn.

At MyPro Umbrella, we understand the challenges contractors face: navigating complex tax regulations, maximising income, and staying compliant.

## Enter the World of Umbrella Companies

Umbrella companies offer a streamlined solution for contractors, handling payroll, tax deductions, and National Insurance contributions. This frees you from administrative burdens and allows you to focus on what you do best – delivering outstanding work for your clients.

## Why Choose an Umbrella Company?

- **Simplified Payroll & Administration:** Say goodbye to tedious paperwork. Umbrella companies handle your payroll, ensuring you receive your net pay on time, every time.
- **Employment Benefits:** Enjoy peace of mind with access to potential benefits like holiday pay, sick pay, and workplace pensions, depending on the umbrella company you choose.
- **Compliance & Peace of Mind:** Umbrella companies ensure you comply with IR35 regulations, which can be complex and lead to hefty penalties if not followed correctly. Partner with an umbrella company and avoid the risk!



### TRADITIONAL VS. UMBRELLA COMPANY: See the Difference



	MyPro Umbrella	Limited Company
Quick set up process	✓	✗
Inexpensive Set up process	✓	✗
Minimal paperwork & admin	✓	✗
Higher take home pay compared to Agency pay	✓	✗
Entitled to receive statutory rights & benefits	✓	✗
Greater independence and control	✗	✓
Ability to claim legitimate business expenses	✗	✓

This guide empowers you to take control of your finances and keep more of what you earn:

🔍 **Demystify Umbrella Fees:** We'll break down the different types of fees associated with umbrella companies, explain how they're calculated, and provide tips to ensure transparency.

🔓 **Unlock Deduction Power:** Learn how to identify and claim legitimate business expenses that can significantly increase your take-home pay. We'll guide you through record-keeping best practices and navigating HMRC regulations.

🏠 **Tax-Saving Strategies:** Explore little-known deductions and discover smart ways to minimise your tax burden while staying fully compliant. This guide empowers you to take control of your finances!

---

## Demystifying Umbrella Company Fees

### Transparency is Key

Understanding umbrella company fees is crucial for maximising your take-home pay.

This section will shed light on the different types of fees you might encounter, how they're calculated, and some tips for ensuring transparency:

- **Types of Umbrella Company Fees**

- **Margin:** This is the key difference between your contracted rate and your take-home pay. It's essentially the umbrella company's fee for their services. Be sure you understand how the margin is calculated (e.g., percentage, flat fee) and compare offers from different umbrella companies.

- **Employment Taxes & National Insurance:** These are statutory deductions everyone in the UK pays, regardless of employment status. The umbrella company will handle these deductions and remit them to the government on your behalf.
  - **Umbrella Company Administration Fee:** This covers the costs associated with managing your payroll, compliance checks (like IR35), and other administrative tasks. Fees can vary depending on the company, so get quotes to find the best value.
  - **Understanding Fee Calculations** Always ask for a clear breakdown of fees from any umbrella company you consider. This should detail how each fee is calculated and applied to your earnings. Don't hesitate to ask questions!
  - **Tips for Transparency**
    - **Compare Quotes:** Get quotes from several umbrella companies to compare fees and services offered.
    - **Request a Breakdown:** Ensure you receive a detailed breakdown of all fees before signing any agreements.
    - **Ask Questions:** Don't be afraid to ask questions about any aspect of the fees or how they're calculated.
-

# Maximising Your Take-Home Pay – Allowable Expenses

Did you know that claiming allowable expenses can significantly reduce your taxable income? Allowable expenses are legitimate business costs that you can deduct from your earnings before calculating your tax liability.

**Remember:** Keep detailed records of all your expenses for potential future audits.

## Common Deductible Expenses for Contractors:

- **Training & Development:** Invest in yourself! Courses directly relevant to your contracting work can be claimed as expenses.
- **Travel & Subsistence:** Expenses incurred for travel between assignments, meals during work hours, and overnight stays for approved projects.
- **Mileage Expenses:** Keep track of business-related miles driven in your own vehicle and claim them using the HMRC approved rates.
- **Home Office Expenses:** If you dedicate a specific workspace in your home for business purposes and it meets HMRC criteria (limited use), a portion of your home office expenses can be deducted.
- **Clothing & Equipment:** Depending on your industry, specific clothing or equipment required for your work might be considered deductible.
- **Professional Fees:** Fees paid to accountants, industry subscriptions, or professional licenses can potentially be claimed as expenses.

---



# Maximising Strategies for Expense Claims



- **Track Diligently:** Develop a system for meticulously tracking your expenses throughout the year.
- **Capital vs. Revenue:** Understand the difference between capital expenses (long-lasting assets) and revenue expenses (short-term costs). Generally, only revenue expenses are deductible.
- **Seek Expert Advice:** A qualified tax advisor can provide personalised recommendations on maximising your allowable expense claims.

**Example:** Sarah, a freelance web developer, saved over £2,000 on her tax bill by claiming allowable expenses like training courses, software subscriptions, and a portion of her home office expenses. Don't miss out on these potential savings!

---



# Additional Strategies & Umbrella Company Considerations

## Beyond Allowable Expenses: Strategies for Contractor Success

Here are some additional strategies to keep in mind for maximizing your take-home pay as a contractor:

- **Salary Sacrifice Pensions:** Consider increasing your pension contributions through salary sacrifice. This reduces your taxable income while saving for your retirement. Discuss this strategy with your umbrella company and a tax advisor to ensure it aligns with your financial goals.

**Record-Keeping Essentials** Accurate record-keeping is essential for maximising allowable expense claims and ensuring smooth tax filing. Here are some tips:

- **Dedicated System:** Use a dedicated expense tracking app, spreadsheet, or physical notebook to record your income and expenses throughout the year.
- **Categorise Clearly:** Organise your records by category (e.g., travel, training, office supplies) for easy reference.
- **Keep Receipts:** Maintain digital copies or physical receipts for all your expenses for a minimum of 5 years, as per HMRC guidelines.

## Bonus Tip: Embrace Automation!

Many expense tracking apps offer automatic receipt capture. Simply snap a picture of your receipt with your phone, and the app will extract the relevant information and categorise it

for you. This saves you time and ensures all the necessary details are recorded.

**By following these simple tips, you can transform record-keeping from a chore into a seamless process. Remember, well-maintained records are your key to maximising your deductions and minimising tax stress as a contractor!**

---



At MyPro Umbrella, we're committed to helping contractors succeed. Here's how we can be your partner in maximising your take-home pay:

- **Competitive Rates & Fee Transparency:** We offer competitive fees and a transparent pricing structure, so you know exactly what you're paying for.
- **Dedicated Support Team:** Our friendly and knowledgeable customer support team is here to answer your questions and guide you through the process.
- **Streamlined Service:** Enjoy a hassle-free payroll and tax experience. We take care of the complexities, allowing you to focus on what matters most – your work.

**Partner with MyPro Umbrella and unlock your full earning potential!**

---

# READY TO TAKE CONTROL?

MyProUmbrella is dedicated to helping contractors maximise their earnings.

Contact us TODAY for a personalised quote tailored to your specific needs. We're confident we can help you streamline your finances and keep more of what you earn.

## Get a Free Quote Today!

020 8432 0933

[Info@myproumbrella.co.uk](mailto:Info@myproumbrella.co.uk)

[www.myproumbrella.com](http://www.myproumbrella.com)



Disclaimer: The information contained in this guide is for general information purposes only and does not constitute professional tax or financial advice. Always consult with a qualified tax advisor for personalised recommendations.