



TRUST • CARE • COMPLIANCE

Umbrella Service Guide

0800 195 3750 | info@ics.me.uk



A guide to our Umbrella Service

Independent Contractor Services (ICS) was established in 2002 to provide accountancy and tax services to contractors in the UK.

We are now one of the leading accounting and administration consultancies and have helped many hundreds of contractors working in dozens of industry sectors across the country.

Introducing our Umbrella Service

Our popular Umbrella Service was introduced to meet the needs of people that want to enjoy the freedom and financial benefits of working as a contractor without the burden of dealing with endless paperwork. Over the years we have listened to our contractors and fine-tuned our services accordingly. We believe we now offer the most attractive umbrella company solution available.

If you choose our Umbrella Service you will become an employee of ICS Umbrella Ltd and we will look after every aspect of your contracting affairs. Our dedicated team of experts will process your timesheets and expenses; invoice your client or agency and chase late payments; take care of your PAYE and National Insurance obligations; and transfer payments to your personal bank account on the same day we receive them.

We have Derogated and Non Derogated contract options which ensure compliance with the requirements of the Agency Worker Regulations (AWR) and our team will work with you to ensure your contract of employment is fully compliant.

We offer a personal service, and your Account Manager will be available if you need help or advice. We also offer comprehensive Professional Indemnity, Public and Employers Liability Insurance for complete peace of mind.



Key benefits of choosing our Umbrella Service

- ✓ **IR35, AWR and MSC compliant**
- ✓ **Same day payments when we receive payment from your client or agency**
- ✓ **Dedicated account manager available between 8am and 6pm every working day**
- ✓ **Same day processing for all timesheets received before midday**
- ✓ **All your contract administration and invoicing undertaken by our highly experienced team**
- ✓ **Competitive rates at just £24 per week or £70 per month all inclusive**
- ✓ **Fixed fee structure with no extra charges, set up fees or exit penalties**
- ✓ **Freephone number and freepost address**
- ✓ **Comprehensive Professional Indemnity, Public and Employers Liability Insurance**
- ✓ **Mortgages, life assurance and income protection designed specifically for contractors**

Our commitment to you

ICS is led by three guiding principles: *trust, care and compliance*. We make sure we get the basics right – from ensuring you are paid the correct amount at the right time, to being available when you need any advice. Our team of experts in employment and tax law includes a leading London QC and one of the 'Big Four' accountancy firms to ensure full compliance with all current legislation and regulations, including IR35 and AWR. We help you to enjoy all the benefits of working as a contractor, without the paperwork and organisational headaches. This means you can get on with your job without distraction.

Over the following pages we explain how our Umbrella Service works to make your life easier. If you have any questions please do call us free on 0800 195 3750 or email info@ics.me.uk



The right solution for your individual contracting needs

Our Umbrella Service enables you to supply your agency or client without the need to run your own limited company. It is typically the most cost effective way to operate and is ideal if you are new to contracting or undertake short-term contracts.

Sign-up with ICS Umbrella Ltd as your employer – we will help you at every step of your life as a contractor:



Client and agency invoicing

- Sent to your agency or client based on your approved timesheets.
- Issued as soon as payment is due at the frequency specified in your contract e.g. weekly or monthly.
- Clients or agencies chased for late payments on your behalf.

Same day payments

- Direct into your bank account as soon as funds are received from your agency or client.
- Detailed in a payslip containing tax and national insurance contributions, expenses, fees and net earnings.

Management of your expenses

- Prompt review, recording and validation of allowable expenses, as detailed in our Expenses Policy.
- Full refund of chargeable expenses to your agency or client.
- Non-chargeable expenses processed as a tax benefit to reduce your taxable income.
- Unlimited ongoing advice and guidance on expenses.

Contractor references

- References provided for mortgages, tenancy agreements and other requirements.

Comprehensive insurance

- Employer's Liability insurance up to £10,000,000.
- Public Liability insurance up to £2,000,000.
- Products Liability insurance up to £1,000,000.
- Professional Indemnity insurance up to £1,000,000.

Referrals Fees

- Recommend friends or colleagues and benefit from our generous referral scheme – just ask for details!

Contact us today to discuss our Umbrella Service.
Call us free on 0800 195 3750 or email info@ics.me.uk

Frequently asked questions

Below are the most frequent questions we are asked about our Umbrella Service. If you have any additional questions or require any other help or guidance please do call us free on 0800 195 3750 or email info@ics.me.uk



What is an umbrella company service?

An umbrella company engages employees by way of an umbrella contract of employment. This is an over-arching contract of employment which provides continuous employment to an employee whether they are working on assignment with a client or not. ICS has a range of contract options to ensure compliance with AWR.

Our Umbrella Service provides a complete and professional employment service for contractors. Our aim is to remove the burden of administration by providing useful services at every stage of your working life. Our dedicated team of experts will process your timesheets and expenses; invoice your client or agency and chase late payments; take care of your PAYE and National Insurance obligations; and transfer payments to your personal bank account on the same day we receive them.

We offer a personal service, and your Account Manager will be available if you need help or advice. We offer comprehensive Professional Indemnity, Public and Employers Liability Insurance for complete peace of mind. We will also provide financial advice, and references for mortgages if required.

Our Umbrella Service is fully compliant with all government regulations and legislation, including IR35 and AWR.

How do I get started?

Our registration process is simple and can be done electronically, or by telephone. We require the following information, either by fax, post or scanned and attached to an email:

- A completed ICS Umbrella Personal Details form
- A copy of the photo pages of your passport or your photo driver's licence
- A copy of a valid work visa/permit (if applicable)
- A P45 from your last employer or a P46

Upon receipt we will contact your agency or client and request that your contract is issued to ICS Umbrella Ltd. Please note that a copy of the contract will be sent to you for review before we sign it on your behalf.

You will then receive a Contract of Employment with ICS Umbrella Ltd, which you will need to sign and return.

What happens at the end of my current contract?

You may continue to use our Umbrella Service when you change contracts or restart after a break from contracting. Simply keep us up to date with your circumstances.

How do I submit my expenses and timesheets?

It is important to record time spent on assignments on the timesheets provided by the agency or client. Expense claims which are chargeable to your agency or client are usually completed following their own processes. It is your responsibility to ensure that your timesheets and expense claims are approved and submitted according to the processes outlined in your contract.

Expense claims that are not chargeable to the agency or client are to be submitted by completing an ICS Umbrella Employee Expense form, following the guidelines in our Expenses Policy.

Please forward copies of all timesheets and expense claims by email or fax to us at:

- Email: info@ics.me.uk
- Fax: 0844 259 0028



You will appreciate that delays in submitting this information may lead to a delay in payment of invoices and receipt of cleared funds. We keep accurate records of all weekly/monthly timesheets received, however, kindly let us know when you do not work to ensure we can detect any timesheets that may be missing.

What insurance does ICS Umbrella provide?

We have a comprehensive range of insurance in place to protect you and the business, including:

- Employer's Liability insurance up to £10,000,000
- Public Liability insurance up to £2,000,000
- Products Liability insurance up to £1,000,000
- Professional Indemnity insurance up to £1,000,000

I don't have a current P45. What should I do?

If you do not have a P45, please ask us to send you a P46. The Inland Revenue will then advise us of your correct tax code.

Can I get same day transfers?

Yes we do use same day transfers at no extra cost to you.

How do I prove my earnings if I want to apply for a mortgage?

We can provide you with the necessary documentation in this respect and indeed put you in touch with specialists who facilitate mortgages for contractors.

Am I a Director or Shareholder of the company?

No, our employees are not directors or shareholders and they are not paid dividends. Instead we pay a salary to you.

What happens at the end of the tax year?

If you are required to submit a tax return, we will provide you with a P60. We can arrange for your tax return to be completed. Please contact us for details.

What does "self billing" mean?

Some agencies are described as being self billing. This is an arrangement between the agency or client in which they prepare the invoice and forward a copy to the Umbrella Company.

This means that as you enter your timesheet, the agency or client raises their own invoice to be billed each time a payment is made. The main benefit of self billing is the removal of the requirement to supply invoices, therefore resulting in a more efficient payment process.

How do I register?

Simply call us on our freephone telephone number 0800 195 3750. We will complete the application form with you in a matter of minutes and send you the details that you need to sign and return via email. Naturally we are happy to answer any questions that you may have.

What do I do if I wish to leave you or have got a permanent job?

Once you have informed us that you are leaving, we will collect all outstanding funds and make a final payment to your bank account. We will immediately issue your P45 so you can give it to your new employer.

Is there a minimum period I must work through you?

No, there is no lock in period – you can leave at any time without penalty.

Do I get tax relief on your weekly fee?

Yes, the amount is dependent on your tax band – ask for details.

Can I work on more than one contract at the same time?

Yes, you can work on multiple contracts at the same time at no additional cost.



How do I know when I've been paid?

On the same day we process your payment, a payslip will be emailed to you. This will show the net figure being transferred to your account as well as the deductions made for PAYE, national insurance and our fees. The expenses processed will also be shown on the payslip. We can also send an SMS to your mobile phone telling you how much you've been paid.

What tax do I pay?

As a contractor you will incur PAYE, Employees and Employers National Insurance. With ICS Umbrella, we will take care of all your VAT, PAYE and NI liabilities on your behalf.

Do you have a HMRC Dispensation?

Yes, however, having an expense dispensation from HMRC does not mean that an umbrella company is an 'approved' vehicle, nor does it mean that you can claim expenses without keeping receipts – contrary to some umbrella companies' claims.

We feel that expense dispensations can be misleading and can encourage contractors to claim expenses that they have not actually incurred. You as the individual claiming the expense will need to keep receipts or you face the possibility of being fined and penalised if your expense claim is challenged by HMRC.

Will I need to keep receipts?

Yes, it is very important that you keep receipts for any expenses that you claim, including fuel receipts for mileage and for any subsistence during the day. If we do not have copies of your receipts we will be unable to process the expenses. If you are found to have claimed expenses that don't have a corresponding receipt, you will be penalised by HMRC for doing so and will have to repay your tax underpayment, as well as any additional penalties HMRC may impose.

Is there a limit to what I can claim each week?

No, however, it is best not to store up receipts but put in your claims regularly. If we cannot pay all your expenses in one week, we will carry over any outstanding to the following week. Unfortunately we cannot carry outstanding expenses from one tax year to the next but you can claim these directly from HMRC at the end of the year. We will provide you with a statement of expenses for that purpose.

Am I protected from investigation from the Inland Revenue if I register with an umbrella company?

No company can offer you complete protection against an HMRC investigation. ICS Umbrella will only pay expenses that you are legally entitled to, however, if you have submitted an expense claim that are you are not entitled to, then HMRC could reclaim the tax underpayment and impose a large fine.

Do I need to be concerned about IR35?

No, all contractors using an umbrella company service are deemed to be working within IR35 and as such you will not fall under IR35 rules. You will be paid via PAYE only and will not receive dividends in any form.

Do I need to be concerned about the Agency Worker Regulations introduced in October 2011?

ICS has worked closely with our professional advisers to ensure our systems and processes are fully adapted to comply with the regulatory requirements of AWR. We have Derogated and Non Derogated contract options which are fully compliant.

ICS has produced a contractor's guide to AWR which is available upon request and provides information on what you as a contractor need to know. Your relationship manager at ICS will be happy to support you if required.

How does the new legislation regarding Managed Service Companies (MSCs) affect me?

From April 2007, the only legal way to receive dividends is through your own personal Limited Company, over which you have complete financial and administrative control. We pay you through PAYE so you are safe in the knowledge that you are totally compliant.



Can I make any money referring colleagues or friends?

Yes, we operate a referral reward scheme to anyone who makes a recommendation of a colleague or friend who joins us. Please contact us for further details.

Do you provide reference letters for financial institutions?

Yes, we will provide reference letters to financial institutions free of charge.

What is my employment status?

You are employed by ICS Umbrella. We enter into a legally binding contract with your agency or client. This contract states that we will supply them with the contractor who has the necessary skills to satisfy the client's requirements. The agreed rate for the services performed will be paid to ICS Umbrella over a prearranged period of time. The agency or client will choose to use a contractor rather than a permanent employee if they do not wish to assume the 'employments rights' that are associated with permanent employees.



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