

How Payroll Works

You place the worker on assignment with the end client on an agreed **Umbrella rate**



We **employ** the worker under a contract of employment



We invoice you the agency for the work carried out on assignment



The amount we receive from the agency is called **Company Receipt**



From the company receipts we deduct our **Company Costs**
These include: Holiday Pay, Employers' Costs (employers National Insurance and Apprenticeship levy) Company Overhead (small margin we retain to cover administration and insurance)



After **Company Costs** have been deducted from **Company Receipts**
The remaining amount is the workers **Basic Pay**
which is subject to Tax and Employees National insurance.

PUT SIMPLY

COMPANY RECEIPTS	=	TIME WORKED X ASSIGNMENT RATE
BASIC PAY	=	COMPANY RECEIPTS – COMPANY COSTS
NET PAY	=	BASIC PAY + HOLIDAY PAY – TAX AND EMPLOYEES NI