



National Insurance & Holiday Pay:

Limited company workers are responsible for making their own National Insurance contributions. Similarly, it is the limited company that is responsible to ensure their workers receive holiday pay under the Working Time Regulations and that the days taken as holiday are recorded.

VAT and Tax:

An interim worker does not have to be VAT registered to work as a limited company for HR Heads, but if you are VAT registered, we will need a copy of your VAT Registration Certificate to process that payment.

Interims working through a Limited company are responsible for making their own tax contributions - we do not deduct the tax from your pay as we do with a PAYE worker. The liability for any unpaid tax rests with the Limited company.

Opt Out:

The conduct of employment agencies and employment business regulations 2003 is intended to protect vulnerable workers from exploitation but the Government realised that the provisions of the regulations might be detrimental to some highly skilled contractors and have allowed them to opt out of the regulations. The main advantages of opting out are:

- 1) **Tax Advantages**
The regulations refer to the worker being under the control of the client. If a contractor wished to avoid being caught by the IR35 legislation, opting out of the regulations may well assist their tax position.
- 2) **Reduced Administration**
The administrative requirements of the regulations are quite extensive. A contractor who stays within the regulations (opting in) will need to supply suitable documentary confirmations before we can legally provide them with work.
- 3) **Client Preference**
Many clients specify that they only want contractors who have opted out of the regulations to protect themselves against expensive employment rights claims and protect their legitimate confidential interests.