



## Agency PAYE

Many agencies will allow freelance contractors to work on a PAYE basis via their own payroll facility.

The agency will provide the contractor with a Contract of Employment to facilitate the agreement, ensuring full tax and national insurance contributions are deducted from gross earnings. The agency will furnish the contractor with a payslip to confirm gross/net earnings and will undertake to make all statutory returns (income tax, national insurance etc) to HMRC.

**Please note this option does not allow contractors to claim tax relief on any business expenditure they have incurred.**

Although Agency PAYE is not the most financially beneficial route for contractors to take, it carries no risks or responsibilities. For individuals that are not committed contractors and those who find themselves between full staff employment roles, it can be a prudent choice.