

## Pay rates explained

Usually when we quote you an hourly rate this is on the basis that you will be paid via an umbrella company.

In addition to your hourly pay, your umbrella rate is made up of:

- Holiday pay
- Employers National Insurance
- Pension Contribution
- Apprenticeship levy

It is then the umbrella's responsibility to account for additional items.

Should you decide to work PAYE directly with us your rate will be lower because Employers National Insurance, Pension contribution and apprenticeship levy are paid directly to the relevant authority.

This means that the net payment you receive should be roughly the same whether you are paid direct PAYE or via an umbrella (The umbrella company will charge you a processing fee) Please see below calculations as an example.

| Type Of Pay                 | Umbrella    | PAYE        |
|-----------------------------|-------------|-------------|
| Hours Worked                | 40          | 40          |
| Hourly Rate                 | £30         | £26         |
| Gross Pay                   | £1200       | £1043       |
| Less                        |             |             |
| PAYE                        | (£169)      | (£169)      |
| Employee National Insurance | (£105)      | (£105)      |
| Employer National Insurance | (£157)      |             |
| Umbrella Fee                | (£15)       |             |
| <b>NET PAY</b>              | <b>£754</b> | <b>£769</b> |

Note - The above figures are for illustrative purposes only

The above excludes pension contributions and the apprenticeship levy

The above uses a basic tax code of 1257L and tax banding based on 2022/23 tax year