

## Limited Company or Umbrella?

### Limited Company

- Your company – you are the boss.
- Some additional work involved – you will set your day rate and send invoices to your clients.
- You take a basic salary from the company, typically around the PAYE threshold.
- Entitled to claim expenses from the company.
- Will have to pay an Accountant – however your Gorilla accountant will carry out the majority of the additional requirements.
- Company is created for longevity – it can be used for any type of contract (short/long-term, Inside/Outside of IR35).
- Extremely tax efficient.

### Umbrella

- You are employed by an umbrella company.
- Very simple - submit a timesheet to the umbrella company who in turn invoice your time to your client (usually charging a profit that could be yours!).
- You will be paid your day rate less PAYE & National Insurance.
- You may be entitled to claim expenses, namely travel.
- You will have to pay administration fees to the umbrella company.
- Beneficial for short-term and low value contracts.
- Can be a simpler solution for contracts inside of IR35.
- Does not offer the tax advantages of operating through own limited company.

**We appreciate that moving into contracting can be daunting.  
For a no-obligation conversation to discuss your options, please don't  
hesitate to [contact us](#).**