

# Umbrella Guidance

With the freedom and flexibility offered by the lifestyle, it's no wonder that contracting has become a popular way of life for millions of professionals nationwide. To separate fact from fiction, we've partnered with leading umbrella company Parasol to answer some of your frequently asked questions around umbrella employment.

## What is an umbrella company?

Umbrella companies employ workers who are on temporary assignments (also known as fixed term contract assignments) and act as an intermediary between contractors and their end client or agency. The agency pays the umbrella company, who then pay you (the contract worker) through PAYE, much like if you were a full-time employee.

## What are the benefits of working with an umbrella company?

The result of working with a compliant umbrella company is increased flexibility in your work placements, while maintaining the benefits a permanent employee would typically receive. This includes holiday pay, sick pay, maternity/paternity pay, access to workplace pensions, minimum guaranteed hours of work, and more.

## How does an umbrella company work?

When you join an umbrella company, you'll receive a contract of employment meaning you become directly employed by the business. All that's left to do is complete and submit your timesheets. Your umbrella company will retain a margin to cover their costs, as well as taking care of Income Tax and National Insurance deductions before issuing you with a payslip. Handling all invoicing and payroll duties ensures a hassle-free process where you get paid accurately and on time.

## Do I need to worry about IR35 with an umbrella company?

No! Joining an umbrella company means becoming an employee, so you won't be affected by IR35. The legislation only covers self-employed contractors.

## Parasol, an umbrella solution you can trust

A leading employment and payroll solutions provider with over two decades' worth of experience in the umbrella sector, Parasol has managed payments for over 250,000 contractors and 3,000 agencies thus far. From [Parasol Rewards](#) to [MyMarketplace](#), when it comes to our contractor proposition, we know that Parasol's is unrivalled.

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[parasolgroup.co.uk](https://www.parasolgroup.co.uk)

Parasol Limited

Company number: 03940716

Registered office: 840 Ibis Court,

Centre Park, Warrington, Cheshire, WA1 1RL

(Registered in England and Wales).

What's more, as one of FCSA's founding members, compliance is at the heart of everything we do and our dedicated team stay abreast of the latest industry standards and legislation. You can rest safe in the knowledge we're up-to-date and with you every step of the way.

To find out more, or to sign up, please visit VIQU's Payroll Partner page or get in touch with Parasol directly.

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