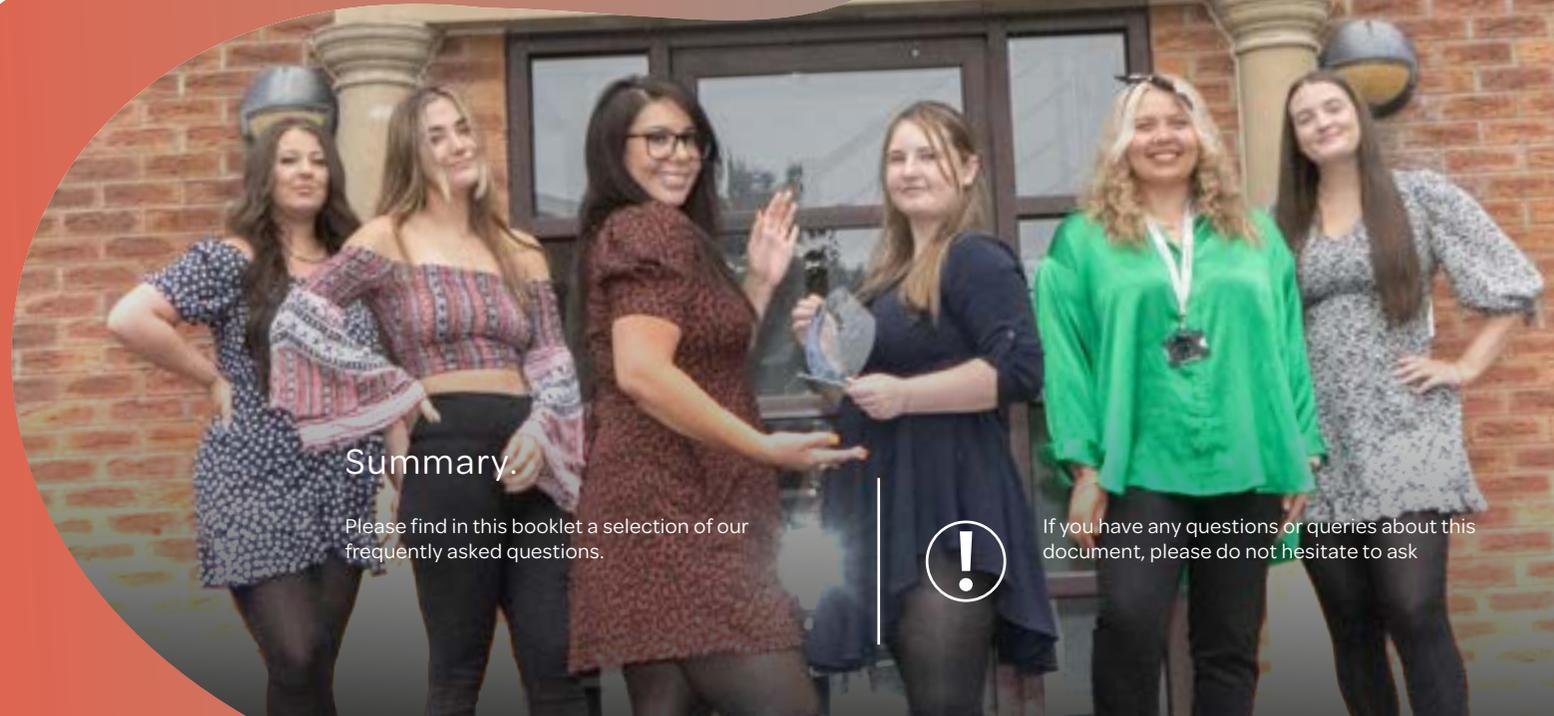


# Frequently Asked QUESTIONS



## Summary:

Please find in this booklet a selection of our frequently asked questions.



If you have any questions or queries about this document, please do not hesitate to ask

# TABLE OF CONTENTS

REGISTRATIONS FAQ'S.....	4
CUSTOMER CARE UMBRELLA FAQ'S.....	7
CUSTOMER CARE CIS FAQ'S .....	12
KEY INFORMATION DOCUMENT .....	14



**“Don’t be afraid of failure when starting a business, because the failures we experience are learning materials to improve our business.”**

# REGISTRATIONS FREQUENTLY ASKED QUESTIONS

## Why do I pay apprenticeship levy?

As you are via umbrella you have to pay company fees such as apprenticeship levy, because you have to do this your agency uplift your rate of pay to cover this for you. If you were fully employed (paid via PAYE) you will not see these fees as they are completed behind closed doors by your employer, this is calculated at 0.05% and was introduced by the Government once a company overturns 3 million pounds annually. This was brought in by the government to assist businesses in introducing and using the system to start apprenticeships and have training funding.

## Why do I pay HMRC payment NIERS

As you are via umbrella you have to pay company fees such as employers national insurance, because you have to do this your agency uplift your rate of pay to cover this for you. As stated above, if you were paid PAYE these costs are covered via your employer.

## Who do I send my timesheets to?

You send your timesheet to your site manager or agency, for further information, please contact your agency.

## Why do you need ID and what ID do you need?

We need ID to prove you have the right to work in the UK, ID depends on nationality: if you are British, we need a clear birdseye image showing all 4 corners of your passport or birth certificate with proof of NI for example a letter from HMRC. If you are an EU citizen we need a Share code to run a home office check. If you are a Non-UK/Non-EU citizen we will need a clear birdseye view showing all 4 corners of your biometric card front and back or Visa and passport both within date.

# REGISTRATIONS FREQUENTLY ASKED QUESTIONS

## What do I do if I don't have any ID you request?

There are multiple routes to go down: if you have no UK passport you can just send an image of your birth certificate and proof of NI - if you do not have a birth certificate, you can apply online via gov.uk. Certificates costs as low as £11 and are sent 4 days after you apply. If you do not have a proof of NI, you can go onto the government website and again order a new one via them. These typically take up to 15 days to arrive. If you do not have a share code you can again get this via the government website : <https://www.gov.uk/view-prove-immigration-status> if you do not have a BRP card please apply via the government website: <https://www.gov.uk/biometric-residence-permits>.

**Please note: we would need to confirm your right to work before any payments are released to you.**

## Why can I not use my driving Licence for ID?

Unfortunately a driving license does not prove your right to work in the UK.

## Can you pay me into someone else's bank?

We can complete a third party bank details form with you which allows you to use another persons bank for up to 3 weeks only, after the 3rd week we cannot pay into a third party account it has to be your own.

**Please note: your money will be held until your details are obtained.**

## Why do I have to give you my details, my agency has them?

We need all details from yourself to ensure they are correct, also for data protection purposes we cannot take these from a 3rd party source.

## What are the different models we offer?

Umbrella, PAYE, CIS and Accountancy.

## How long does it take for the form to be completed?

# REGISTRATIONS FREQUENTLY ASKED QUESTIONS

You personally fill this out yourself or we can assist you over the phone. Nevertheless this takes no longer than 5-10 minutes to complete.

## **How Long after registering will I get my contract?**

You will receive a contract to sign when registering, from here when we have all the required information uploaded onto our payroll system you will receive a hard copy via email.

## **What is an umbrella company?**

An umbrella company is an outsourced 3rd party payroll provider, we are an intermediary who offer employment security to temporary workers.

## **Why do I have more than one weekly fee?**

If you have hours sent for 3 different weeks worked, our fee will be charged per week, this is the only time your fee increases. If you are only paid for one week's worth of wage the weekly fee is charged. We do not charge if you do not work.

## **SDC**

SDC stands for supervision, direction and control. If you fall under any of these 3, you cannot be self-employed so cannot use our CIS model. The available options to you will be PAYE or Umbrella.

# CUSTOMER CARE (UMBRELLA) FREQUENTLY ASKED QUESTIONS

## **What is HMRC payment NERS?**

As you are via umbrella you have to pay company fees such as employers national insurance, because you have to do this your agency uplift your rate of pay to cover this for you. If you were a full-time employee your company pays these fees behind closed doors so you would not see this however they are still paid.

## **What is a margin fee?**

This is a fee deducted weekly/monthly dependant on the payment terms for the contractor.

## **Why do we charge the fee?**

The fee is charged for the services we provide and is only charged when we process your pay. The fee covers administration and business costs such as insurance cover, overheads and accreditation fees.

## **How pay is calculated**

We would deduct all employers deductions from your gross payment then deduct our margin, giving you tax relief on our margin.

# CUSTOMER CARE (UMBRELLA) FREQUENTLY ASKED QUESTIONS

## Type of margin fee we implement - Fixed

### Fixed

A fixed pre-agreed amount to be deducted from each payment frequency (so if paid weekly this fee will be weekly). We can pay our contractors weekly, fortnightly or monthly.

We do have a small number of agreements with certain agencies where our fixed rate can be influenced by the amount earned or the hours worked, for example

1. up to 10 hours = £10 or over 10 = £20
2. up to £90 gross = £4, over £90 = £8

We do not implement a percentage margin fee: This is where an agreed percentage is deducted from the contractor's gross pay, for example a 1% margin on a gross pay of £1,000 would be £10.00.

Our margin fee is made clear on our initial pitch call and will be included within any illustration/KID document we generate, in addition to each payslip we produce.

Company Receipts				Company Deductions	
	Units	Rate	Amount		Amount
Basic Pay	5.00	11.50	57.50	HMRC Payment NIERS	15.22
Basic Pay	18.00	16.00	288.00	Expenses	0.00
				Pension	4.76
				Management Company Margin	12.50
				Retained Holiday Pay	33.71
				Paid to Employee	279.29

# CUSTOMER CARE (UMBRELLA) FREQUENTLY ASKED QUESTIONS

## What days am I being paid for?

On the top right of your payslip you have start dates and end dates, the start date is the first day of the week you are being paid for and your end date is the last date in that week you are being paid for.

## Can I opt out of the Nest pension Scheme?

Yes you can! - as the pension is in your name we cannot do this for you due to the data protection act, however all you need to do is call Nest on 0300 020 0090. Our customer care team will contact you on the 12th week of payment to state your first contribution has been made and at this point if you advise us you would like to opt out we will provide information to do so, with this Nest will refund you any contributions made within the first 4 weeks.

## What is my tax code?

To find your tax code against your payslip please scroll to the base of page 1 it will say payment status, this simply means this is your tax code currently,

FUN FACT - to calculate your tax free allowance please replace the letter to a zero and add the correct decimal place. For example - 1257L = £12,570.00 tax free allowance per year.

## Is my holiday pay deducted?

If you selected retained holiday pay at the point of registration your holiday pay will be deducted and saved by us for you, until you advise you require this. You can see how much is deducted on your umbrella payslips on the top right section which states retained holiday pay. To retrieve this please email our payroll team the amount required and date needed and they will process this for you.

## How much holiday pay do I have in my pot?

To see your saved holiday pay amount please look at your reconciliation statement (page 2 of your payslip) it states the amount carried forward at the base of this page, this is your saved holiday pay amount to date.

# CUSTOMER CARE (UMBRELLA) FREQUENTLY ASKED QUESTIONS

## When will I pay tax?

You will pay tax whenever you work when you are over the thresholds given by the government. To calculate your threshold you should divide your tax free allowance for example £12,570.00, by the way you are paid for example if monthly you would divide by 12, if weekly you would divide by 52 as there are 52 weeks per year. Voila there is the amount you can earn before being taxed. You will only be taxed once you are over this threshold.

## How much is National Insurance?

As of this tax year (2022) Companies National insurance has increased by 1.25% which means it is now at 15.05% and Employees National Insurance has increased by 1.25% which means this is now at 13.25% - FUN FACT you will not be charged employers National Insurance if you earn less than £170.00 gross pay per week and for Employees National Insurance if you earn less than £242.00 gross pay per week.

## How much do I have to earn to be charged any NI?

For Companies National Insurance you have to earn £170.00 + to be charged at the 15.05% and then employees have to earn £190.00 + to be charged at the 13.25%. (AS OF JULY 2022 THE THRESHOLD INCREASED TO £242.00 BEFORE YOU ARE CHARGED EMPLOYEES National insurance AT 13.25%).

## Why am I paying 2 pensions?

As you are via Umbrella you pay company fees such as the companies contribution to your pension, your agency uplift your rate of pay to cover this fee. Your employee contribution at 5% and the employers Pension contribution is at 3% of gross pay, this is sent directly to Nest who reserve your pensions fund until you reach retirement.

## What is a BR tax code?

A BR tax code is a 'BASIC RATE' tax code in which is set at 20% or 40% deductions, this also means you have no tax free allowance to use. This is the most frequent tax code used when someone has 2 jobs, receiving a state or occupational pension or they have not provided a P45 to be submitted to HMRC from their last job so HMRC believe they are employed multiple times. - if you need to change this tax code please call HMRC on 0300 200 3300.

# CUSTOMER CARE (UMBRELLA) FREQUENTLY ASKED QUESTIONS

## What does /X mean on my tax code?

This means your tax code is on emergency charges which are mostly at 20% or 40% deductions, to find out why this is please call HMRC urgently to resolve on 0300 200 3300.

## Can I claim expenses?

If you fall under SDC (supervision, direction and control) you cannot claim all expenses. You can claim mileage from site to site only, for example from home to work is not claimable however from office 1 to office 2 and then to office 3 will be claimable as this is site to site travelling. If you fall outside of SDC (fully self employed) you can claim all business expenses as long as wholly, exclusively and necessarily for business purposes ONLY.

## Can I get P60's

Your P60 is visible on your payslip portal, if you select documents - this displays your P60's you have had generated so far per each tax year you have been working with us.

## How do I get a p45?

To gain a P45 please ensure it is as you are leaving the agency, if you are only changing your assignment with the agency you don't need to generate a P45 as once this happens you are off our systems. This also means, we cannot pay you if you are P45'd and would need to re upload your account. You will need to email customer care and advise your last working day with your agency and reason for P45 and we will handle this efficiently.

# CUSTOMER CARE (CIS) (CONSTRUCTION INDUSTRY SCHEME) FREQUENTLY ASKED QUESTIONS

## Why is my UTR 30%?

There can be many reasons why your UTR is 30% and not at the 20% value, such as: wrong NI number, new UTR, registered as LTD and not to yourself and not CIS registered. We will never pay you at 30% unless you advise us to in writing. And we will always contact you to advise if you have the higher % so we can sort this over the phone to get you paid as soon as possible!

## Who does my taxes?

We deduct your tax for you and pay this to HMRC.

## Do I have to self assess still?

You will have to still self asses and complete your NI deductions.

## How to I register CIS?

You will need to call the CIS helpline, just make sure you already have a UTR - 0300 200 3210 - <https://www.gov.uk/what-you-must-do-as-a-cis-subcontractor/how-to-register>.

## Why do I complete my own NI deductions?

As you are self employed you are your own employer, this will mean you will have to take care of all self employed deductions necessary.

## How do I pay my own NI deductions?

Your accountant will be able to advise in depth on this and advise how to calculate your National Insurance contribution. However you send all information to HMRC who advise how much is owed from the payments received in that tax year.

# CUSTOMER (CIS) (CONSTRUCTION INDUSTRY SCHEME) FREQUENTLY ASKED QUESTIONS

## Why don't I get employment rights?

As you are fully self employed you are your own employer so any sick leave, maternity / paternity, holidays will be unpaid unless you earn payment and hold this for these occasions. You are not entitled to any employment rights.

## Why do I not get holiday pay?

As you are self employed you are your own employer, due to this you will have to cover yourself for any statutory leave.

## Why do I need a sole trader UTR and not LTD?

As you are working as a sole trader and not a Limited company your UTR needs to be registered to you solely to be taxed correctly and to identify yourself.

# KEY INFORMATION DOCUMENT FREQUENTLY ASKED QUESTIONS

## What is a KID?

Contractors inside IR35 should be provided a KID (Key Information Document), from their agency at the beginning of each new contract. KIDs are designed to provide contractors/workers with an overview of how any fees and deductions will impact their take-home pay.

## The agencies responsibilities

The agency are responsible for sending the document to you to enable you to make a fully informed decision on taking on the contract.

Recruitment agencies are required to send the KID prior to you agreeing the contract.

The KID does not represent the final contractual terms, instead it is intended to provide you with a clear overview of some important aspects of their proposed engagement, mainly to represent the fees and deductions made throughout the supply chain.

If you are assigned a different contract with the same agency, a KID will only be required if the payment terms are different.

These became a legal requirement in April 2020 (Regulation 13A of the conduct Regulations 2003) with the EAD Employment Agency Standards enforcing the compliance.

## What if I haven't received a KID?

We offer a first call resolution, so we can provide a KID to you as an additional option to referring you back to the agency.

# KEY INFORMATION DOCUMENT FREQUENTLY ASKED QUESTIONS

## What information should be included in a KID (Key Information Document)?

- Agency Name
- Contractor Name
- Contract Type
- The Contract Rate
- Payment Intervals
- Statutory Deductions
- Calculations of any Non-Statutory Deductions
- Any Fees for Goods/Services Charged to the Workers
- Holiday Pay Entitlement
- Day/Hours Worked

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