

Making the Move from the Permanent to the Interim Market

If you have found yourself discovering you're in a situation where you are going to start contracting, whether it be because you want more flexibility, you have fallen on a redundancy, or you are wanting to be involved with new and exciting projects. Whatever your reason may be, the move is not easy, so today we will provide you with some information on what to expect, and how to make the move as stress free as possible.

It can be a daunting move but contracting comes with huge benefits, and often after the move is made contractors never return to permanent market. There is the huge benefit of being part of an exciting project, you go into a business knowing what the end goal is, and after achieving that goal (hopefully successfully) there is often a huge sense of accomplishment. Working on a variety of different projects on short term contracts, for many, is a much more exciting way of working and something contractors often much prefer to permanent work.

As a starting point when going interim you will need to set up your own Limited Company, although to many this seems like a daunting process, it is relatively straight forward. This involves a few simple processes, including registering with Companies House, and registering for corporation tax. Each Limited Company must have at least one director, this individual is an employee of the company, and with this comes responsibilities such as paying National Insurance Contributions and income tax.

When setting up a Limited Company it is essential to consider the 'intermediaries' legislation' which is frequently referred to as IR35. This legislation ensures that you pay roughly the same in National Insurance and in income tax, as if you had been employed directly through the employer. If the IR35 is ignored, there can be penalties that can be imposed by the likes of HMRC. However further guidance can be provided by your accountant, and plenty of practical advice can be found online. Something you should always ensure as a starting point is that any contract you enter into is IR35 compliant whether it be via an agency or with the hiring employer.

For more information on setting up your own limited company and the IR35, visit: http://www.contractoruk.com/first_timers/setting_up_your_contractor_company.html

Not only do you need to think about how you will be paid, but there are also a number of other considerations to take into account when embarking on your first contract. When you start your contract it is essential to be prepared to 'hit the ground running' as unlike a permanent role, you are less likely to get support in training, and your impact on the business will be expected to be seen from as early as possible. This isn't something to be scared of, but it is important to maintain your skill set. If you go into an interim role prepared for this, you should feel confident and excited about the move you've made into contracting.

If you would like to have a chat around making the move from permanent to interim, please feel free to get in touch with Apsiz for a confidential discussion on how we can help you.

For any advice on making the move please email careers@apsiz.co.uk