

Power Accountax - Contractor Tax Estimator	
Own Limited Company <i>(Outside IR35 - Not being regarded as an employee of end client)</i>	
	£
Daily Contracted Rate	415
Annual Contracted Income (5 days/week for 48 working weeks)	99,600
Credit for VAT at Flat Rate Scheme	6,574
Total Sales	106,174
<u>Less: Allowable Expenses</u>	
Car & Train allowable costs (Car for 60 miles/day & Train for £150/month for 48 working weeks)	(7,262)
Meals (£5 per day for 48 working weeks)	(1,200)
Other Expenses e.g. professional indemnity insurance	(100)
Accountancy Fees Yearly (£59 per month plus VAT)	(850)
Spouse and Your Tax Free Salary (No employers and employees NI)	(15,900)
Taxable Pay	80,862
Corporation Tax (@20% of Taxable Pay)	16,172
Higher rate Dividend Tax (@25% of taxable pay above £30,515)	13,862
Reduced higher rate tax based on available Spouse Allowance	(7,629)
Removal of tax free allowance (if taxable pay exceeds £120,000)	N/A
Total Tax	22,406
Credit for actual petrol cost (15p per mile) over tax allowable costs	5,102
Net Yearly Pay	79,458
Estimated Weekly Take Home (for 48 working weeks per year)	1,762
<i>Estimated Percentage of take home pay (AFTER expenses)</i>	85%
<i>Estimated Percentage of take home pay (BEFORE expenses)</i>	84%

Please complete the "Contractor Calculator" details on www.accountantscontractors.co.uk to receive the illustration for your specific daily contract rate.

Please enter a valid telephone number in case we need to discuss your expenses for a more accurate illustration.

See next page for comparison to Umbrella Company / Personal Service Company

Personal Service Company (PSC) - Inside IR35 Regarded as Employee of End Client	
Similar to taxation under Umbrella company but less administration charges	
	£
Total Contract Income	99,600
Less: Allowable expenses (travel costs and meals)	(8,462)
Less: Tax free Personal Allowance	(10,000)
Add: Removal of tax free allowance (if taxable pay exceeds £120,000)	0
Taxable Income as Salary	81,138
Basic rate salary Income Tax & National Insurance (Up to £31,865 @ 45.8%)	14,594
Higher rate salary tax Income Tax & National Insurance (from £31,866 @ 55.8%)	27,495
Total Tax	42,089
Less: Accountancy Fees Yearly (£59 per month plus VAT)	(850)
Administration Charges - Higher with Umbrella Company!	
Net Yearly Pay	56,661
Estimated Weekly Take Home (for 48 working weeks per year)	1,180
<i>Estimated Percentage of take home pay (AFTER expenses)</i>	57%
<i>Estimated Percentage of take home pay (BEFORE expenses)</i>	65%

Tax Difference: Employed & Contracting under Own Limited Company (Outside IR35)	
Weekly	£581
Yearly	£27,898

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