

Umbrella Protect.

Supreme protection for umbrella companies



Accountax 

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The highly publicised amendments to the expenses legislation has caused many umbrella companies and agencies to step away from the umbrella industry due to the uncertainties of the potential liabilities they could face.

Umbrella Protect has been developed to provide security to umbrella companies, and their clients, where they employ individuals who are not subject to these changes.

Accountax has actively advised and defended umbrella companies for many years, and have fought alongside umbrella companies to increase compliance among the industry. These changes to the legislation may mean a number of individuals may no longer be suitable to operate via an umbrella company, however it certainly doesn't mean the umbrella industry has now come to a close as many individuals will not fall within the remit of this legislation.

In response to the concerns of our umbrella and agency clients Accountax has developed an insurance policy, Umbrella Protect, in conjunction with Abbey Tax, to run alongside our suite of insurance offerings. Umbrella Protect will insure the umbrella company against liability to Tax and NI of reclassification of expenses as employment income.

We will, as part of our preliminary compliance procedures, review all contracts, policies, processes and working practices to ensure they are compliant. Once our recommendations, if any, have been implemented the Umbrella Protect policy will be available to cover:

- **Employers NIC** – Accountax can insure the agreed levels of cover for the calculated potential Employers' National Insurance in respect of reclassification of expenses as employed income.
- **Employee Tax and NI** – Accountax can insure the agreed levels of cover for the calculated potential Employee Tax and NI in respect of reclassification of expenses as employed income.
- **Interest** – Accountax can insure the likely interest that HMRC could levy upon arguing successful reclassification of the self-employed subcontractors.
- **Penalties** – Accountax can insure the likely tax geared penalties (up to 50% of the potential liability) that could be levied during an enquiry.
- **Legal expenses** – Accountax can cover the costs of fighting an HMRC enquiry into the status of the sub contractors providing services.

For further information regarding Umbrella Protect and the preliminary compliance procedures please contact a member of our team via the details below.

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