Sapphire
CONTRACTING

PEO



Professional Employer Organisation (PEO)

With off-payroll reforms having come into effect in April 2021, businesses and recruiters have been seeking effective solutions to mitigate admin and risk whilst contractors are looking for job continuity and protection of rates of pay.

Whether your end client is only using inside IR35 contractors via an umbrella company or have specified they are only engaging with a PAYE model, Sapphire are supporting contractors, recruiters and hiring agencies with solutions that take away the administrative and compliance burden and keep your business running smoothly.

WHAT IS A PEO?

A Professional Employer Organisation (PEO) is a company that provides a complete outsourced employment solution. Like the traditional umbrella PAYE solution, the PEO offers more clarity for your contractors.

By assuming all employment responsibilities including HMRC compliance, the PEO is liable for all employment risk as the employer.

Under a PEO model, your contractors will be quoted their PAYE rate from the beginning of each new assignment. This will be shown on their payslip, with statutory PAYE tax deductions (Income Tax, Employees NI, Student Loan repayments etc) as you would expect from traditional employment, giving transparency when it comes to the contractor's take-home pay.

The PEO offering isn't just a better option for contractors...

If you want to operate as a PEO, it's a simpler solution for everyone.

BENEFITS FOR YOUR BUSINESS INCLUDE:

- No need to run your own PAYE payroll for your temporary workers – reducing internal administration
- Fewer queries from contractors regarding their pay/pay rate as everything is made clear – no questions around Employers National Insurance
- Easy to understand when it comes to employment costs and margins
- A true outsourced PAYE payroll solution, where the agency does not employ the individual or have any HR/insurance issues to deal with
- No pay per payslip for the service
- The relationship with the Umbrella company remains exactly the same

YOUR CONTRACTORS BENEFIT FROM:

- Fixed PAYE rate of pay, so payments for contractors don't fluctuate based on employment costs
- A better option for contractors doing a one-off contract with no expenses and no need for an advance facility
- Simple PAYE payslips that are easy to understand
- Easier to explain to a bank/lender when applying for credit
- Plus, all the usual benefits of employment via an Umbrella company too!

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