

SETTING UP A PERSONAL SERVICE COMPANY (PSC)

Why set up a PSC?

AG Integrate consultants are not employed by Addleshaw Goddard (**AG**). Rather, you will be employed by your own Personal Service Company (**PSC**), a limited company, registered in the UK, which you set up and own. Alternatively, there are various service providers who offer an "Umbrella Company", which will employ a number of self-employed contractors.

There are various advantages of setting up a PSC. It provides some protection for your personal assets. Your PSC will have its own business bank account which will enable you to keep your business and personal finances separate. You can plan and structure payments to and from the company to suit your own circumstances. There are also certain tax planning opportunities and advantages which are available.

You may also find that your other clients prefer to contract with you through a PSC.

How do I set up a PSC?

This can be done relatively quickly. The PSC can be set up online or by sending completed forms to Companies House. More information can be obtained from the [Companies House website](#).

You can also do this through an incorporation agent or accountant. Many people, however, prefer to use an accountant or tax adviser.

Running a PSC

There is a certain amount of initial and ongoing administration involved in running a company.

The PSC needs to be registered with HMRC for Corporation Tax, PAYE and, if the turnover will exceed a certain level, VAT. Tax returns will need to be submitted and a payroll operated to comply with PAYE and National Insurance regulations.

Annual returns, accounts and certain other documents must be submitted to Companies House.

This can all be done yourself but most people prefer to use an accountant or tax adviser who can help set up the PSC, operate the payroll and deal with the ongoing administration and tax returns. They can also help you to structure your PSC in a tax-efficient manner.

Insurance

When you are working on AG Integrate placements either within AG or for AG clients, you will be covered for the work you do for AG Integrate by AG's professional indemnity insurance, subject to the terms and conditions of that policy. For any other work you carry out as a self-employed contractor, you will be responsible for arranging your own insurance.

How do I get paid?

AG will pay your AG Integrate fees and expenses in full directly to your PSC gross of tax. Your PSC will be responsible for paying you and accounting to HMRC for tax, national insurance and any VAT due.

You will be a director of the PSC and will be paid by the PSC. The PSC will deduct PAYE and National Insurance and account to HMRC for these. You will be responsible for submitting your own tax return each year.

Again, an accountant or tax adviser can assist you with this and to ensure that your payments are structured in a tax-efficient manner.

Contact us

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For ambitious legal professionals, AG Integrate offers the freedom of flexible working, diverse projects, ongoing training along with the support of premium business law firm with international reach and an exceptional breadth of services.

Find out more: <http://agintegrate.addleshawgoddard.com>

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