

Sandison Easson & Co

Specialist Medical Accountants

E-mail:info@sandisoneasson.co.uk

Tel:01625 527351

Tel:020 7307 8759

Contractual Status

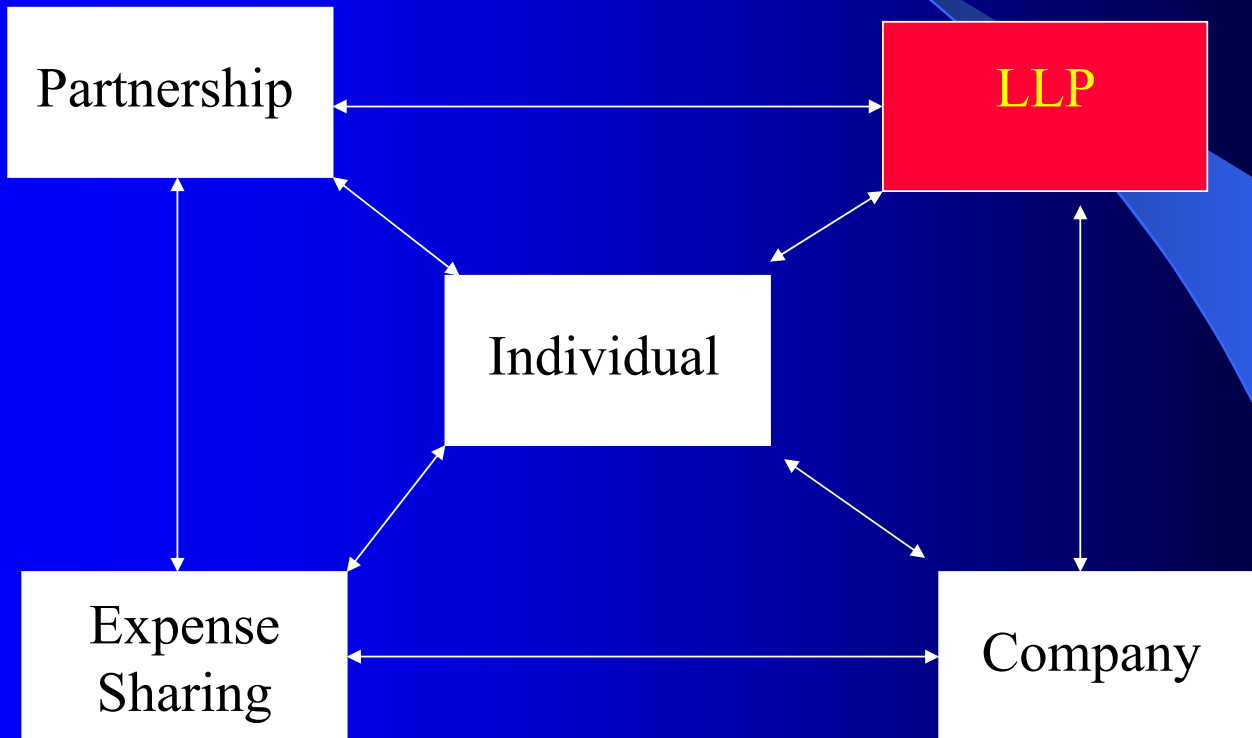
Employed

- Security
- Legal protection
- Control (reduced)
- PAYE (Schedule E)
- Other posts/employments ?
- Pension & other benefits
- Employers NIC
- Training

Self-Employed

- Flexibility
- Minimal protection
- Control(greater)
- Schedule D or Corporation Tax
- Other posts/employments ?
- Usually none
- None
- None?

Professional Entities



Financial Equation

Hospital

	Salaried	Self-Employed/Company
	<u>£100,000</u>	<u>£100,000</u>
NIC	£12,209	£NIL
Tax	<u>£26,337</u>	<u>£30,000</u>
Net Cost	<u>£78,546</u>	<u>£70,000</u>
Difference	£8,546 (12.21%)	

Financial Equation

Consultant

Salaried (only post) £63,722	Self-employed (only post) £64,671
Salaried (other posts) £59,046	Self-employed (others) £59,046
	Company (only post) £69,425
	Company (others) £60,715

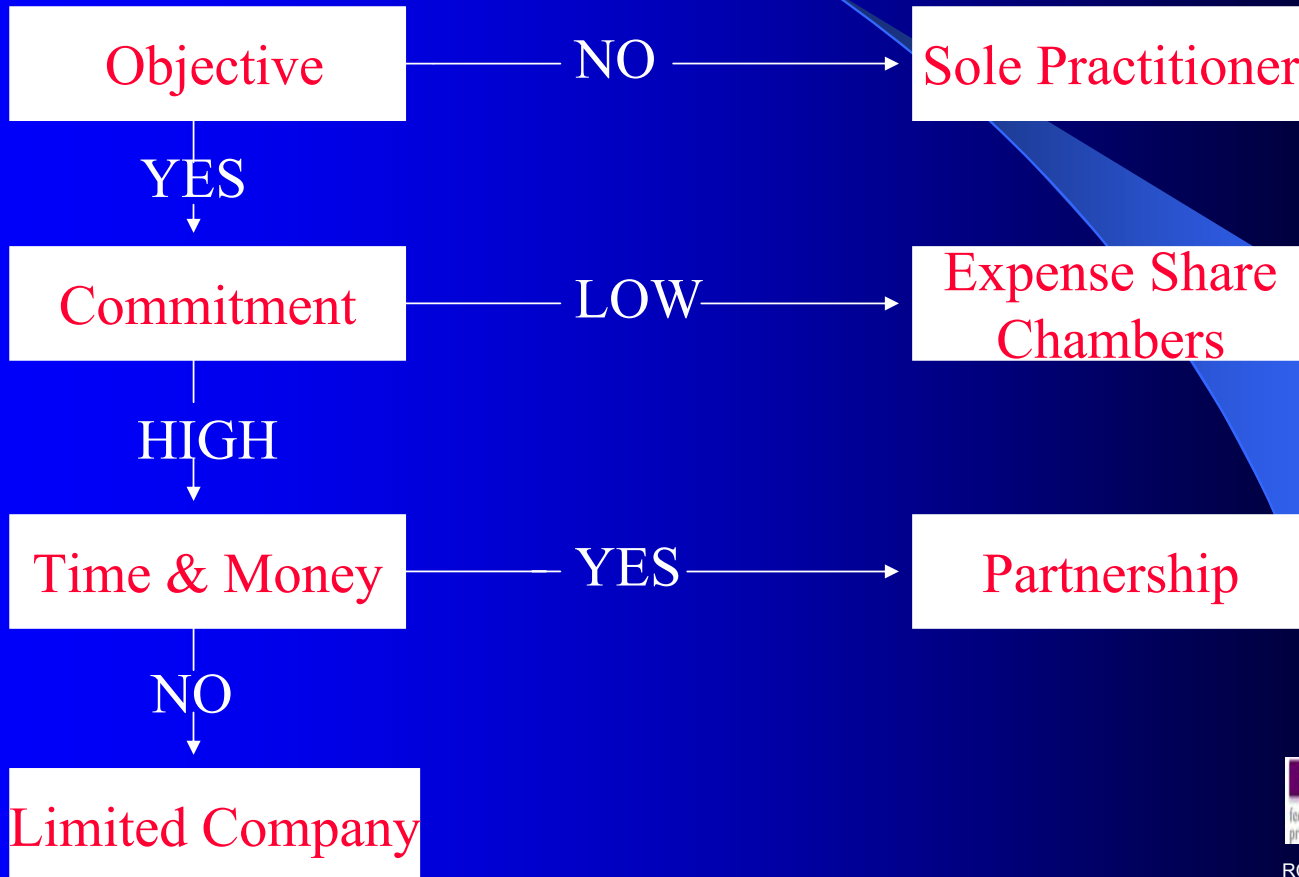
Hospital Staff Mix

- Cost of Employment
- Essential/Core Consultants Employed
- Other Consultants Contracted
- Other Staff Employed

Consultants Status

- Third Party Perceptions
- Objectives
- Commitment
- Taxation

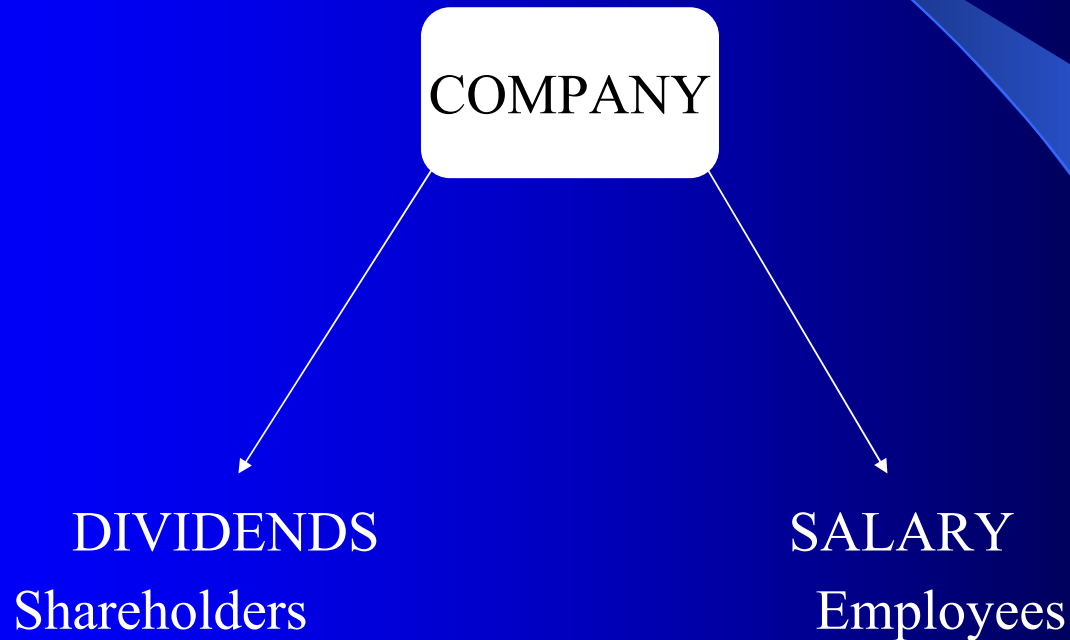
Decision Flow



Taxation

- IR 35
- IR 175
- IR 591

Extraction Of Funds



IR 591

These measures are encouraging the creation of more small companies, including through self-employed people incorporating their businesses. The Government is keen to ensure the measures it has introduced provide support for these firms taking on the opportunities and responsibilities involved in that transition, and to encourage them to reinvest their profits and grow their businesses. At the same time, **the Government is concerned that the longstanding differences in tax treatment between earned income and dividend income should not distort business strategies, or enable reductions by tax planning of individuals' tax liability, and that support should continue to be focused on growth. The Government will therefore bring forward specific proposals for action in Budget 2004, to ensure that the right amount of tax is paid by owner managers of small incorporated businesses on the profits extracted from their company, and so protect the benefits of low tax rates for the majority of small businesses.**"

Summary

- Fast Moving
- Seek Professional Advice