

Setting up a Partnership

The usual partnership is similar to two or more sole traders working together.

There is a new partnership model – known as a corporate partnership (also known as an LLP) that operates in a very similar way to Limited companies. LLP's have a formal set up and legal independence and individual partners are taxed individually by completing an annual Self-Assessment Tax Return.

This sort of set up is often popular with accountants and lawyers as it does have a few extra benefits compared to Limited companies, and allows a bit more freedom in various ways.

Good choice if:

- You work with others and want flexibility
- You are a freelancer working on multiple short projects, alone or with your partner
- You have decided to commit to contracting for the long term
- You are happy to take on the extra responsibility
- You have someone, like us on your side to take over the majority of admin and hassle
- You don't mind budgeting for your tax bill, which may be paid in one lump sum
- You're happy to manage your own finances

Not so good if:

- You work alone and have no partners
- You plan to get some or all of your contracts through a recruitment agency
- You don't want any hassle or responsibility at all
- You can't get your head around the basic principles of tax, IR35 (if applicable), National Insurance contributions and so on
- You want to pay tax as you earn (PAYE), instead of being landed with one big tax bill
- You earn below £35,000 a year.

For advice on setting up a Corporate Partnership, please call us today or to request a call back please email U2us@tad-as.com

