

CONTRACTOR RATE PLUNGE BOTTOMED OUT - LEADING PAYMENTS FIRM

Submitted by: The Sanzar Partnership

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A leading contractor service provider has said that contractor rates plunged throughout 2008, but levelled out towards the year end.

The Sanzar Partnership, which processes pay for contractors across a range of industries, has revealed research showing that average rates for new contracts declined steeply during 2008 and that in Q4 the average rate remained low.

Chris Connor, Chief Operating Officer at the Sanzar Partnership, said that rates for new contracts were down 21% on a year ago.

Mr Connor said, "Employers are increasingly cost-conscious. If contractors want more take-home pay, they need to find a legitimate way to limit their tax liability, which is our area of expertise.

"Contractor rates have been consistently squeezed as the recession takes a hold and all indications for 2009 are that rates will remain low. It's far too early for contractors to think about holidays in the sun and hiking their rates back up."

The Sanzar Partnership's figures are based on real payments to contractors, not estimated figures gathered in a survey.

The firm offers a tax efficient payment solution developed with the help of one of the UK's most eminent tax QCs, who specialises in international tax legislation. It enables contractors to increase their take-home pay without increasing their rates to clients.

Sanzar Partnership employees can take home around 85% of their gross contract value, as opposed to around 64% under Umbrella Company (<http://www.sanzar.co.im>) PAYE schemes or around 74% when using your own limited company.

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