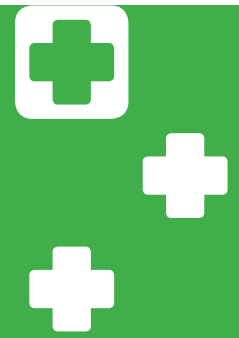


Self-employed Vs Limited company



David Elliot, Tax Manager. BW Medical Accountants.

There is a lot of “Gin and Tonic” advice flying around at present regarding whether or not GPs should be sheltering private medical income in a limited company and this subject is becoming one of the hottest topics amongst Locums. The following matters must to be addressed before any decision can be made:

Do you need the income to live on?

YES

Definitely self-employed

NO

Possibly Limited Company

Do you want to pension the income?

YES

Definitely self-employed

NO

Possibly Limited Company

Do you have an offset mortgage?

YES

Definitely self-employed

NO

Possibly Limited Company

Do you want to keep your financial affairs confidential?

YES

Definitely self-employed

NO

Possibly Limited Company

The above questions are not an exhaustive, but they do highlight the need to take specialist advice before any decision is made and the examination of personal circumstances and requirements cannot be overstated. Every individual's circumstances are different in terms of where they are on their career path, what their financial requirements are plus what plans they are making for retirement.

Seek qualified specialist advice from a specialist medical accountant so you can make an informed financial decision. Your accountant will certainly benefit from additional fees if you decide to set-up a limited company but will the additional accountancy costs and potential loss of future pension negate the tax savings?!

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