

Which payroll route, when

Every route we hold, side by side: when to use it, when to avoid it, and what April 2026 asks you to keep on file for it.

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How to use this card

Decide the route per placement, not per agency. Five things decide it: the sector, how many people and how often they are paid, where they work, what the client insists on, and how much of the employment you want on your own books. Most mixed contract books run more than one route; that is fine when each is chosen on purpose.

Outsourced PAYE · UK

Use when

You want the workers and the employment liability off your books, run under the provider's PAYE reference.

Avoid when

You need the workers on your own PAYE scheme, or the client wants to see you as the employer.

Keep on file

Hold the provider's RTI and payment evidence for each pay period, and a contract that says where PAYE sits.

Payroll bureau · UK

Use when

You keep the workers on your own PAYE reference and want the processing done for you.

Avoid when

You want the employment itself, and its liability, to sit with someone else.

PAYE umbrella · UK

Use when

Workers move between assignments or hold several, and want one employer throughout.

Avoid when

You cannot keep a short list of accredited providers and the records April 2026 expects.

Keep on file

From 6 April 2026 the agency holding the client contract is jointly and severally liable with an umbrella for its PAYE and National Insurance. Keep a record of your checks: payslips reconciled to what you paid, VAT registration, a Companies House match and employer's liability insurance.

Direct PAYE for your own staff · UK

Use when

The people are yours, on your own scheme, and you have the team to run it.

Avoid when

You have no payroll function, or the workers change weekly.

CIS · UK

Use when

Genuinely self-employed construction subcontractors, verified with HMRC and deducted at 20%, 30% or gross.

Avoid when

The worker is controlled like an employee, or the work is not construction operations.

Healthcare routes · UK

Use when

Clinical and care placements, where frameworks usually set the payroll terms.

Avoid when

The framework names a route you do not hold.

Limited company · UK

Use when

An experienced contractor running their own business, with a status determination that supports it.

Avoid when

The client mandates PAYE, or the working practices look like employment.

Sole trader · UK

Use when

Genuinely self-employed individuals outside construction, invoicing on their own account.

Avoid when

The worker is supervised and controlled — status is the question, not the paperwork.

Irish PAYE · Ireland

Use when

People working in Ireland, paid through an Irish PAYE provider — UK PAYE cannot pay that work.

Avoid when

The work can be done from the UK, or the assignment is only a few days.

Irish limited company & sole trader · Ireland

Use when

Established Irish contractors trading on their own account.

Avoid when

The client mandates PAYE, or the arrangement would not survive a status test.

European managed payroll & EOR · Europe**Use when**

Placements elsewhere in Europe, where a local employer of record carries the obligations.

Avoid when

A short visit that does not create a local employment obligation.

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