



Nxsys Umbrella · UNITED KINGDOM

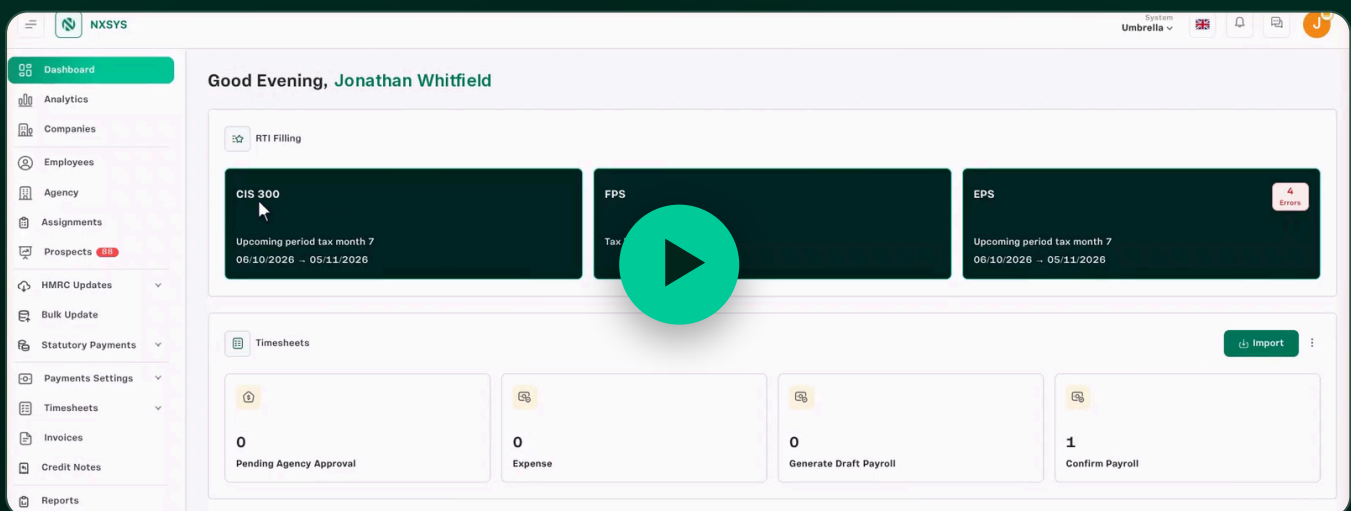
A practical guide to UK umbrella payroll

How a weekly umbrella pay run works from timesheet to payslip, what each line of an umbrella payslip means, how pay queries get fixed, and the UK deadlines umbrellas work to. Each step is shown in Nxsys Umbrella with sample data.

2-minute walkthrough video

A worked payslip

UK deadlines for 2026/27



Watch the Nxsys Employer Web App (40 seconds)

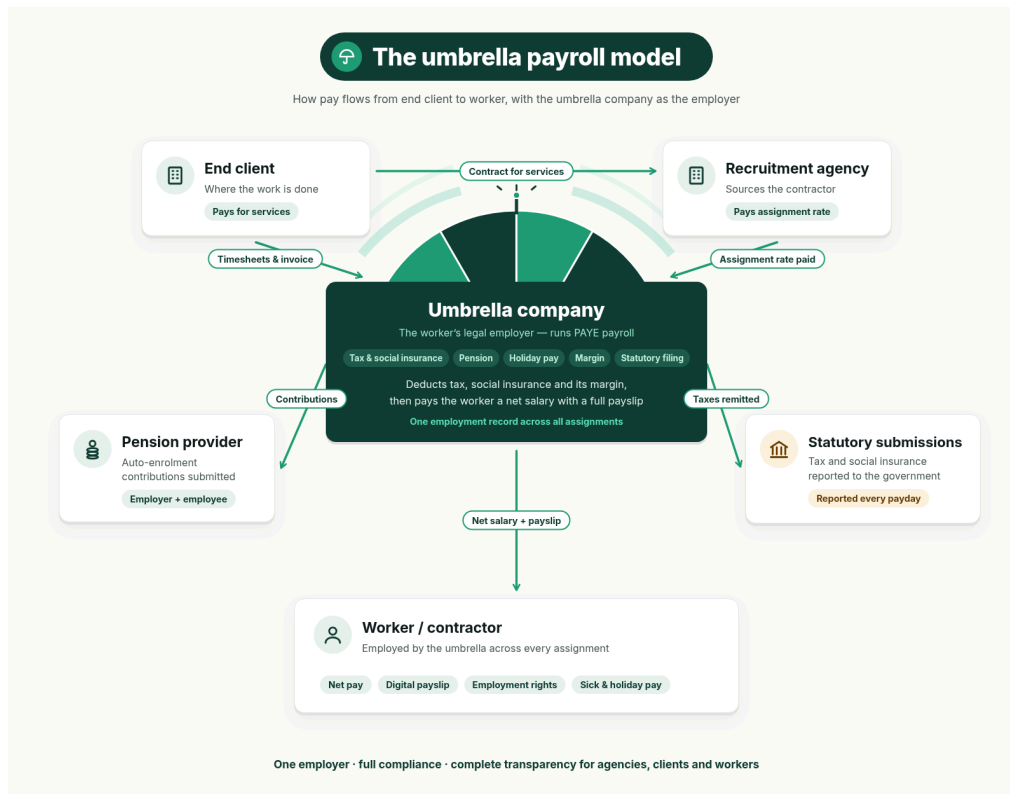
Payroll, people, timesheets, invoices, RTI and reports in one web app. Click to play, or scan the code:
vimeo.com/1240292454



HOW UMBRELLA PAYROLL WORKS

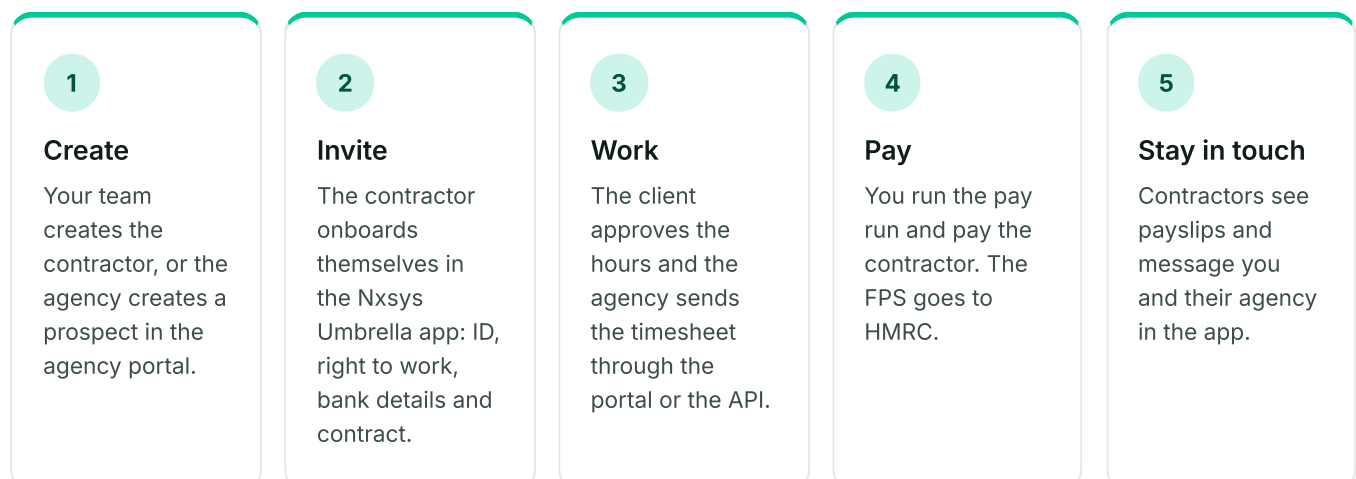
Who does what

An umbrella company employs the contractor, so they are paid through PAYE with employment rights. The agency finds the work and pays the umbrella for approved hours. The umbrella runs payroll, pays the contractor and reports to HMRC.



FROM INVITE TO PAYSIP

Five steps for every contractor



A WEEKLY PAY RUN

Five steps, from timesheets to HMRC

The example pays 24 contractors on Friday 23/10/2026 (tax week 29) for the week ending 18/10/2026.

1 Import timesheets

Import the agency's file, or receive timesheets through the portal or API. Each line is matched to the contractor's assignment and rate.

2 Generate and check the draft

Nxsys works out gross to net for everyone. Check the totals and any warnings before you confirm.

3 Confirm payroll, download the bank file

Confirming fixes the payslips. One BACS file pays all 24 contractors (£13,845.85).

4 Confirm payments: FPS to HMRC

Confirm the payments once the money has gone. The FPS is filed and payslips go to the app.



Watch the walkthrough (2 min 10 s)

The whole pay run on this page, then the payslip on the contractor's iPhone and a pay query answered in the app. Scan the code or go to nxsys.tech/resources/nxsys-umbrella-brochure-uk. Sample data.

READING AN UMBRELLA PAYSLLIP

Where £562.50 of assignment income goes

Sophie Turner worked through Bright Recruitment. Her timesheet for the week shows 22.50 hours at £25.00 an hour. Employment costs come off first, then her own tax, NI and pension.

Hours worked	22.50 hours × £25.00. The agency pays this to the umbrella for the hours on the approved timesheet.	£562.50
Margin	The umbrella's fee for employing Sophie and running her payroll. It must be shown on the KID.	–£20.00
Employer NI	15% of gross pay above £96 a week. An employment cost, paid by the umbrella from assignment income.	–£56.55
Employer pension	3% of qualifying earnings under auto-enrolment.	–£10.59
Apprenticeship Levy	0.5% of gross pay. Umbrellas with a pay bill over £3 million pay it, and many take it from assignment income, as here.	–£2.36
Gross pay	What is left for Sophie as an employee. It includes £50.94 of rolled-up holiday pay at 12.07%.	£473.00
Tax	Tax code 1257L: 20% of pay above her weekly tax-free amount.	–£46.20
Employee NI	8% of gross pay above £242 a week.	–£18.48
Employee pension	4% of qualifying earnings from net pay. With basic-rate tax relief added, that is a 5% contribution.	–£14.12
Net pay	Paid to Sophie's bank account on 23/10/2026.	£394.20

Worked example with sample figures: one week, 2026/27 rates, tax code 1257L on a week-by-week basis, auto-enrolment on qualifying earnings, holiday pay rolled up at 12.07%, margin £20.00. Real payslips depend on each contractor's tax code, pension choice and rates.

9:41	
< PAY104729	
Status	Paid
Amount Details	
Hours worked 22.50 × £25.00	£562.50
Margin Fee	–£20.00
Employer NI	–£56.55
Employer Pension	–£10.59
Apprenticeship Levy	–£2.36
Gross Pay	£473.00
Incl. holiday pay (12.07%)	£50.94
Tax	–£46.20
Employee NI	–£18.48
Employee Pension	–£14.12
Net Pay	£394.20
↓ Download	

The same payslip in the Nxsys Umbrella app

WHEN A CONTRACTOR QUERIES THEIR PAY

Missing hours: how they get fixed

Sophie worked 37.5 hours but her payslip shows 22.5. The payslip matches the timesheet the agency approved, so the fix starts with a corrected timesheet, not a payroll change.

1

Ask in the app

Sophie messages her umbrella from the app with the tax period, the hours worked and the hours paid.

2

Check the timesheet

The payroll team marks the message Work In Progress and checks the approved timesheet.

3

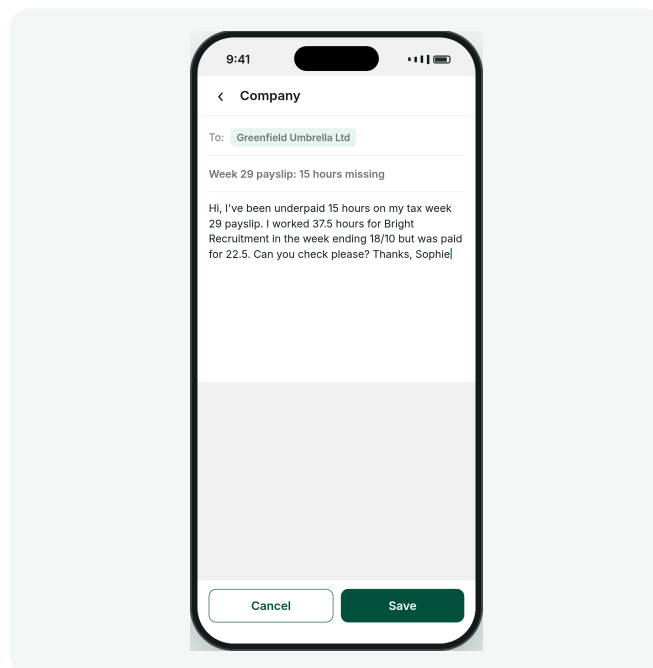
Agency corrects it

The agency checks the hours with the client and sends a corrected timesheet.

4

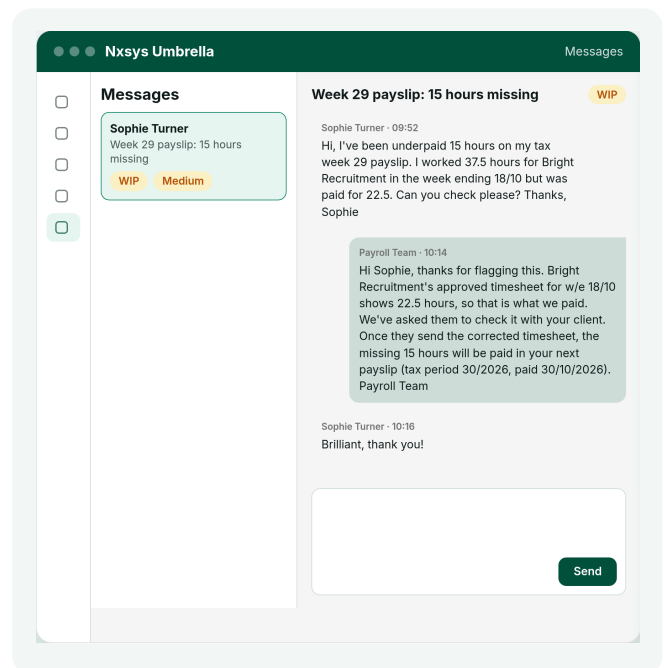
Paid next pay run

The 15 missing hours (£375.00 of assignment income) are paid on the next payslip, tax period 30/2026.



The question, on Sophie's iPhone

Messages go to the umbrella (or the agency) with the contractor's details attached, so nobody has to ask "who are you?".



The answer, from the payroll team

The reply explains what was paid, why, and what happens next, and lands on Sophie's phone in the same thread.

UK RULES IN 2026

What agencies and HMRC expect from umbrellas

01

Joint and several liability

From 6 April 2026 HMRC can recover an umbrella's unpaid PAYE and NI from the agency, or the end client where there is no agency. Agencies will ask to see that you pay correctly.

02

Key Information Documents

Agencies must give work-seekers a KID before agreeing terms, with the umbrella's deductions and an example of take-home pay. Nxsys produces the KID.

03

Holiday pay

Rolled-up holiday pay at 12.07% is allowed for irregular-hours and part-year workers. Show it as its own line on the payslip.

04

Payslip hours

When pay varies with time worked, the payslip must show the hours paid. It is how contractors check their pay.

YOUR PAYROLL CALENDAR

UK deadlines umbrellas work to

WHAT	WHEN	NOTES
Full Payment Submission (FPS)	On or before each payday	Every pay run. Nxsys sends it when you confirm payments.
Employer Payment Summary (EPS)	By the 19th after the tax month ends	Claims and adjustments, for example the Employment Allowance or a month with no pay.
Pay PAYE and NI to HMRC	By the 22nd (electronic) after the tax month ends	For example, tax month 7 (6 October to 5 November) is due by 22 November.
Payslips	On or before payday	Every worker. Show the hours paid when pay varies with time worked.
P60	By 31 May	Each employee still employed at the end of the tax year.
Pension re-enrolment	Every 3 years	Re-enrol staff who opted out, then file a re-declaration with The Pensions Regulator.
Key Information Document	Before agreeing terms	Agencies give every work-seeker a KID showing the umbrella's deductions and an example of take-home pay.

THE CONTRACTOR APP

What contractors can do in Nxsys Umbrella

01

Onboard yourself

Verify ID and right to work, add bank details and sign the contract.

02

Manage your profile

Keep personal and bank details up to date without emails or forms.

03

View payslip breakdown

See every line from assignment income to net pay.

04

Compare your payslips

Compare pay periods side by side.

05

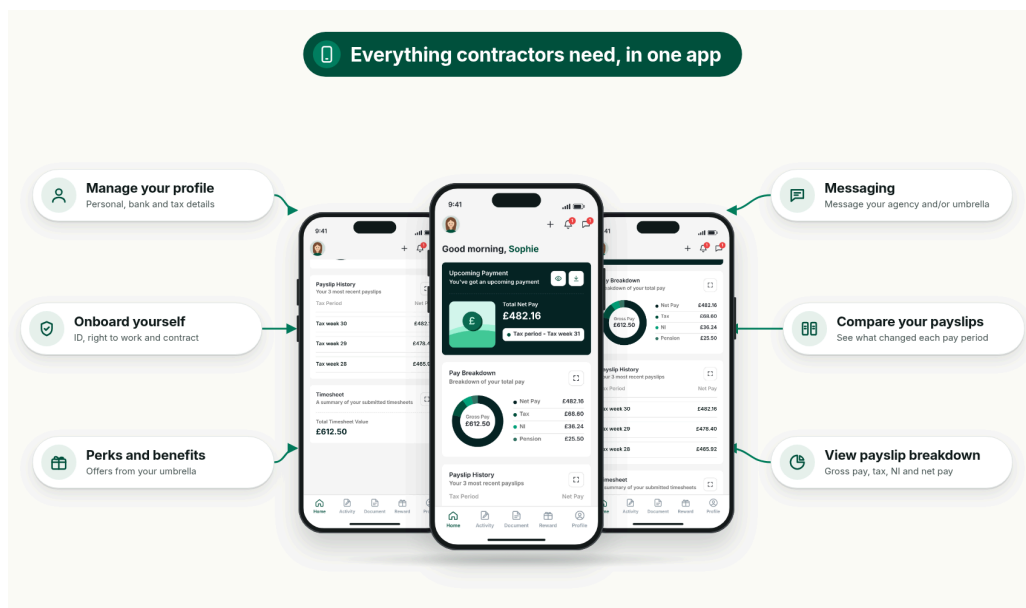
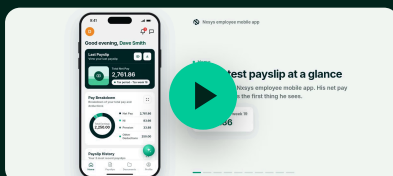
Message your agency and/or umbrella

Questions go to the right people in the app.

06

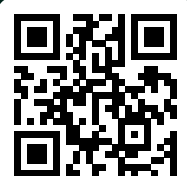
Get notified

A push notification when a new payslip is ready, with its tax period.



Watch the employee mobile app (57 seconds)

Payslips by tax period, the pay breakdown, messages to the employer and Penny, the Nxsys AI assistant. Click to play, or scan the code: vimeo.com/1240292456



PRICING

£1.35 per payslip

PER PAYSリップ

£1.35

excluding VAT, no licence fee

EXAMPLE

£32.40

a week for the 24 contractors
in this guide

BULK PRICING

250+

contractors a week: ask for a
quote

Prices exclude VAT.

WHY Nxsys

Built for umbrella companies

- ✓ RTI filed on every pay run
- ✓ KID generator and umbrella rate calculator
- ✓ Works with umbrella compliance partners such as SafeRec and veriPAYE
- ✓ ISO 27001 and Cyber Essentials certified security



SPEAK TO Nxsys

See Nxsys Umbrella with your own data

Book a demo and we will run a pay run like the one in this guide with your contractors, rates and agencies.

BOOK A DEMO

nxsys.tech/contact

SECURITY AND TRUST

trust.nxsys.tech

API DOCUMENTATION

developers.nxsys.tech