

Sample Contractor Agreement

Update as necessary for your business.

Independent Contractor Agreement

This Agreement is made between:

[Business Name], a business operating at **[Business Address]** (hereinafter referred to as the "Business")

and

[Contractor Name], an independent contractor residing at **[Contractor Address]** (hereinafter referred to as the "Contractor").

1. Relationship of the Parties

1.1 The Contractor is engaged by the Business to provide services (e.g. hair, tattoo, beauty, wellness) to clients as a **self-employed, independent contractor**.

1.2 The Contractor is the **principal supplier of services** to the client and assumes full responsibility for those services.

1.3 The Business acts solely as a **facilitator and agent** in relation to bookings, use of premises, and/or processing of payments.

2. Fees and Payment

2.1 In consideration for use of the Business's premises, marketing, payment facilitation, and administrative services, the Contractor agrees to pay the Business a **service fee of [X]%** of the value of each customer payment received.

2.2 For **card payments**, the service fee will be **automatically deducted** at the point of sale and the remaining balance will be paid directly to the Contractor.

2.3 For **cash payments**, the Contractor agrees to pay the Business its agreed service fee within a reasonable timeframe (typically [insert time, e.g. same day or weekly]).

2.4 The Parties agree that, regardless of payment method, the Contractor's share of the income remains their own and is **not owned by the Business**, as the Business acts only as an agent collecting on behalf of the Contractor.

3. Payment Processing

3.1 Customer payments may be collected via **card** using a shared or third-party system, or in **cash**, paid directly to the Contractor with the fee handed over to the Business.

3.2 The Parties agree that for card payments, **automatic split payments** will be used where available to reduce administration and ensure accurate disbursement of funds.

3.3 The Business does not retain the Contractor's funds beyond its agreed service fee and does not treat those funds as part of its own business income.

4. VAT and Taxes

4.1 The Contractor must be registered as self-employed with the appropriate authorities and they will account to the appropriate authorities for any income tax and National Insurance charges arising out of any monies made by the Contractor as a result of this agreement.

4.2 The Contractor is responsible for their own VAT registration and any VAT due on their income (if required).

4.3 The Business is not responsible for any tax obligations on the Contractor's portion of income, nor will it include the Contractor's earnings within its own VAT returns.

4.4 The Parties agree this arrangement reflects a **principal-agent relationship**, in accordance with HMRC guidance, whereby the Business acts only as an agent for the Contractor when receiving client payments.

5. Expenses

5.1 The Business is not responsible for any expenses to the Contractor for carrying out its own work. The Contractor is not to carry out any works for the Business unless specifically agreed beforehand.

6. No Employment Relationship

6.1 This agreement does not form the basis of an employment relationship between the Business and the Contractor, and the Contractor is responsible for paying their own tax and National Insurance contributions.

6.2 The Contractor is free to set their own schedule, take time off, and decline work.

6.3 The Contractor may provide similar services elsewhere.

6.4 The Contractor is not an agent of the Business and cannot create any obligations for it.

7. Alteration

7.1 This agreement can only be changed by written consent of both sides.

8. Term and Termination

8.1 This Agreement shall continue until terminated by either party with *[X days]* written notice.

8.2 Upon termination, the Business shall pay out any outstanding fees due to the Contractor, minus any agreed service fees.

9. Entire Agreement

9.1 This Agreement constitutes the full understanding between the Parties and supersedes any prior discussions.

10. Force Majeure

10.1 Neither party shall be deemed in default of its obligations under this agreement nor shall be liable to the other to the extent that it is unable to perform and of its obligations by and reason of any event or circumstance beyond its reasonable control.

11. Governing Law

11.1 This Agreement will be construed in accordance with and governed by the laws of the country of England.

IN WITNESS WHEREOF, the parties have duly affixed their signatures under hand and seal on this __ day of ____, 20__.

[Business Representative]

Date: _____

[Contractor Name]

Date: _____