



# GUIDE FOR CONTRACTORS



## WELCOME

We're delighted to welcome you on board as one of Madison's valued independent contractors. This guide has been designed to help you understand more about what contracting with Madison means for you. It explains what to expect, and answers a range of frequently asked questions about being an independent contractor.

Established in 1998, Madison is a full-service, end-to-end recruitment agency. We work with companies ranging from small

start-ups to global blue-chip organisations, along with large public sector and not-for-profit organisations across virtually all industry sectors. We operate across six key locations in Auckland Central, Auckland South East, Hamilton, Tauranga, Wellington, and Christchurch.

Madison Recruitment is a wholly owned subsidiary of the [Accordant Group](#) - New Zealand's largest and only NZX-listed recruitment company.

## How does contracting work?

### MADISON, THE CLIENT & YOU

As an independent contractor, you are either self-employed and offer your services directly to Madison, or work with a company that offers contractor services to Madison.

Madison engages the services of an independent contractor (you) for a client-specified assignment. Madison operates a contract with the client company and remains your primary contact in regards to the Contract for Service Agreement with you.

The day-to-day direction of your duties whilst on assignment will be provided by the client, while any issues or administrative items should be directed to your Madison consultant.

This is not an employment relationship. As a contractor, you charge us for your services as per the Contract for Service Agreement, pay your own taxes and ACC levies, and will not receive any employment benefits such as sick or annual leave.

### ACC LEVIES

As a self-employed contractor, you are responsible for paying your own ACC levies. Visit the [ACC website](#) for more information and search 'self-employed' to calculate your levies, or find more information on the types of covers available to you.

### INSURANCE

Madison requires our contractors to carry Professional Indemnity and Public Liability Insurances to a minimum cover of NZ\$5million. Your Madison consultant will let you know if the client requires a higher limit of insurance cover. If you do not have the required insurance, we are able to provide you with a policy, for the length of your contract with us, at a nominal cost. Please [click here](#) for more information.

### TAX

If you are an independent contractor operating as a Sole Trader or Company, Madison will deduct withholding tax from payments made to you at a rate selected by you on an IR330C. As we are considered a 'labour hire' company, minimum rates apply unless you have provided a special tax rate certificate from [Inland Revenue](#).

If your company is registered overseas, it is your responsibility to ensure compliance with New Zealand tax laws.

The [IRD website](#) is a good source of information regarding all of your tax obligations, including Withholding Taxes (WHT) and Goods and Services Tax (GST). Search for IR1029 for more information on schedular payments for contractors.

We highly recommend you seek professional independent tax advice from an accountant at an early stage.



## During your assignment

### KEEPING IN TOUCH

We want to support you while you are on an assignment, or while you are waiting for your next contracting opportunity. Should you encounter any issues or have any questions, please get in touch with your Madison consultant right away.

### WEEKLY TIMESHEETS, EXPENSES AND PAY

Weekly timesheets must be completed and authorised by the client before 10am Monday morning (following the week worked). It is your responsibility to ensure online timesheets are authorised in a timely manner. If expenses have been enabled for you (if previously agreed between you, Madison and the client), you'll be able to submit them online along with your weekly timesheet.

You will be paid monthly on approximately the 9th day of the following month, which will be 'Monday-ised' if the 9th falls over a weekend.

### BUYER CREATED TAX INVOICES (BCTI)

On top of weekly timesheets, Madison needs a monthly invoice stating the hours you have worked and amount we owe you. Madison is registered with Inland Revenue and will generate a BCTI for you. This means that if you choose this option, you will not have to generate a monthly invoice to send to us, saving you time. If you do need to generate this for your own accounting software, you may do so, but you will not need to send a copy through to us.

### HEALTH AND SAFETY

Your safety is of prime importance to us. Madison is committed to taking all practicable steps to ensure your safety while you are at work in order to prevent an incident. Madison adopts a preventative approach in meeting this commitment. A preventative approach is dependent on you also being responsible for good health and safety practices in the workplace. We therefore require you to take all practical steps to ensure the safety of yourself and others affected by your work.

As an independent contractor, you will need to ensure that you are aware of the clients' Health & Safety policies and procedures, and that no action or inaction on your part will cause harm to yourself or any other person. If you do feel that the working conditions are unsafe, please let your Madison consultant know immediately. If you do have an accident at work, you must report it to your Madison consultant as soon as possible, as well as follow any requirements at the client site, which includes recording the incident in the clients' incident register. Please also ensure you familiarise yourself with the emergency procedures at the client's site. If you are unable to find this information, or have any problems or questions, please contact your Madison consultant immediately.

### NEED ADDITIONAL SUPPORT?

We hope this guide has been useful in providing you with information about contracting with Madison. If you have any further questions, please contact your consultant or [call one of our branches](#). For more information about Madison, please visit [our website](#).