

CONTRACTUAL APPOINTMENT OR FREELANCING: A WAY TO SAVE SALARY / FIXED COST

COVID-19 has spread across the globe and has already started causing severe economic repercussions. Indian businesses have also been severely affected due to the COVID-19. COVID-19 has taken turns in every country and social distancing being the only effective way to control this disease; the Government of India has decided to implement a nationwide lockdown in India effective from March 24, 2020.

It is obvious that the Lockdown will come at its own economic consequences in India, the Indian business are also experiencing unprecedented issues including employee related issues.

The Employers are taking a concerned approach in dealing with their employee related matters by either providing Employees with WORK FROM HOME or even Lay-off or retrenchment and even reducing payment of full wages.

What if Employer wants to appoint new Employee? Is it beneficial to the Employer to recruit new employee where the cost of such employee may be much more and there is financial crunch everywhere???

With so many dilemmas as to appoint new Employee, Employers can go for recruiting EMPLOYEES ON A CONTRACTUAL BASIS!!! Freelancing is becoming a new norm!!

BENEFITS OF HIRING EMPLOYEES ON CONTRACTUAL BASIS / FREELANCING

One of the biggest advantages of hiring Contractual workers is that they get the manpower on a very reasonable cost.

There are some more pros to hiring a freelancer for your Company which are as follows:

Sr. No	Particular	Details
1.	Improved productivity	Contractual workers or Freelancers are used to working on tight deadlines, and often have faster response times than non-freelance employees, and are motivated to succeed in order to win additional contract work.
2.	Low overhead costs	Companies won't need insurance, benefits, or paid time off for temporary or contract workers or Freelancers.
3.	Flexibility to hire by demand	Contractual workers or Freelancers allow companies to hire based on workload or demand, and provide a temporary solution for companies looking to scale for future growth.
4.	Shorter time to hire	Contractual workers or Freelancers are usually ready and available to work immediately, shortening the typical 30-day hire time of full-time employees.
5.	Worldwide talent pool	Employers can hire the best Contractual workers / Freelancer in their industry, or from a particular

		specialty, rather than relying on a strictly local or regional candidate list.
6.	Less costly to replace	If a Contractual worker or Freelancer doesn't work out, Employers can easily find another Contractual worker or Freelancer, as the contractor is not constrained to full-time employment laws.
7.	Less training needed	Contract workers or Freelancer can generally hit the ground running, and require less training than a full-time hire.

HOW TO KEEP TRACK OR CONTROL OVER SUCH FREELANCERS SO AS TO SAFEGUARD THE INTEREST OF EMPLOYERS?

EXECUTING FREELANCING OR SERVICE AGREEMENT CAN BE A VERY SIMPLE WAY TO DO SO...

A Freelancing / Service Agreement is a formal agreement between the Employer and the Freelancer or Contractual Worker that defines the relationship between them including such factors as expectations and compensation. This agreement is generally entered between the Employer and the Freelancer for a specified period of time or specified job and also includes the liability incurred if the contract is violated by the parties, especially the Freelancer. The agreement contains a detailed description of the conditions of engagement including the duties to be undertaken, place of work, hours for which the Freelancer has to work and all other statutory entitlements.

In case of any conflict between the Employer and the Freelancer, *the terms laid down in the agreement prevails* **AND WITHOUT A DOUBT A PROFESSIONAL CAN ASSIST YOU IN DRAFTING A FULL PROOF AGREEMENT**

Please feel free to reach out to us!!!

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Thanks and Regards
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