

Contracting versus Permanent

Wondering what the pros and cons are of working as a contractor as compared to working as a permanent employee? There are a few broad generalizations here, but these are our thoughts:

The upsides of permanent

- Greater job stability
- Better chances of promotion and career development
- Paid annual, sick & paternity leave
- Eligible for bonuses
- Access to training
- A feeling of belonging to a company

The upsides of contracting

- Better remuneration
- Paid for overtime and weekend work
- Less involvement on office politics
- More project work
- Able to move more frequently and get exposed to different environments
- Simpler hiring process
- Greater variety

How do you translate from contract rates to a permanent salary?

There's a lot of factors at play when making this conversion – location, nature of work, duration of contract, etc. As such, this is quite a rough conversion, but generally we would expect a contractor to earn a premium of approximately 30-40% over and above their salary package (if your contract rate was to be annualized). Here are some guideline figures:

Salary Package	Hourly Rate	Daily Rate
\$50000	\$30/hr	\$240/day
\$70000	\$45/hr	\$380/day
\$100000	\$65/hr	\$520/day
\$150000	\$100/hr	\$800/day