



Understanding Recruitment Fees with Marva

When engaging with staffing agencies, it's essential to grasp the various recruitment fees to make informed decisions and avoid potential legal complications. Here's a breakdown of the three main types:

1. Temporary Worker Fees:

Temporary workers are under the agency's responsibility, with the agency handling payments. The fee comprises:

Basic pay (hourly or daily)

Associated costs (Holiday Pay, Sick Pay, National Insurance, etc.)

A margin allowing the agency to make a profit. The margin percentage varies by sector and location.

2. Temp-to-Perm Fees:

If an employer wants to convert a temporary worker to a permanent contract, a transfer fee is applicable. Employers can avoid this fee by either extending the temporary hire or hiring the former temp worker after a specific period.

3. Permanent Placement Fees:

Permanent hire fees fall into two categories:

- **Contingency Recruitment:** Agencies are paid upon a successful placement, with fees ranging from 15% to 30% of the candidate's first annual salary.
- **Retained Recruitment:** Agencies are paid in stages—upfront, upon producing a shortlist, and when the placement is made. This approach is beneficial for roles requiring specific skills or experience.

FAQs:

Can you avoid recruitment agency costs? While you can recruit without an agency, it might be costlier in the long run.

How much should you pay a recruitment agency? Costs range between 15% and 30% of a candidate's first annual salary.

Do recruitment agencies charge candidates? No, agencies are paid by employers.

Will an agency offer a rebate if the candidate quits? Some agencies may offer a rebate, but terms vary, so it's crucial to check the terms and conditions.