

Contractor-vs-Employee Cost Comparison

Finance & Accounting

Document type: Financial model / analysis · Generated 14 Oct 2026

This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Compares the true cost of a contractor vs a full-time employee — statutory loading (PF, gratuity, benefits), TDS/GST treatment and hidden costs — with the break-even and trade-offs. Use it to decide how to engage talent. Also weigh misclassification and IP-assignment risks.

Purpose of this tool & output

Compare the true cost of a contractor versus a full-time employee

How the output is used

Use it to compare the true cost of a contractor versus a full-time employee, loaded with benefits, taxes and overhead.

Who should vet it

Your finance or HR head, to confirm the loaded-cost and compliance assumptions in the comparison.

Important cautions

Also weigh misclassification and IP-assignment risks.

Companion documents

- Offshore vs Onshore Cost Analysis
- Build-vs-Buy-vs-Outsource Modeller
- GCC (Captive Centre) Cost Model
- Vendor SLA / Penalty Cost Modeller
- Outsourcing Transition / KT Planner

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.