
Advantages And Disadvantages Of Becoming a Freelancer

WHAT IS FREELANCE AGREEMENT?

Freelance agreement is an agreement in which people are free to work at their own liberty for their clients. According to the dictionary meaning of freelance it is serving a company or more at a time on contract basis as opposed to working on a single company. The person who offers services to other people/companies is called as freelancer. They do not work for a person they may serve more than one person at a time on their own terms and conditions. Generally they have expertise in a certain field/matter. E.g. if you visit a studio the person who clicks your photo is a freelancer. He is not your employee though he served you as he has expertise in photography, he served you on his own terms and conditions he is not obliged to work for you. You are his client. There is a freelance agreement between you and photographer for photo.

BENEFITS OF BECOMING A FREELANCER

- **Self employed:** Unlike working under a company, here you are the boss. No one can ask questions to you and you are not answerable to anyone except your clients. As you are boss you can take risks at your own for improving your business. Not obliged to work for any person: You have your own terms and conditions of work. You can deny to work. When you're a freelancer, you can choose with whom you work. You are no longer pressurized to do a work which you don't like to do.
- **Fixes his own schedule of work:** When you are a freelancer you fix your own hours of work. You provide time to clients upon your own suitability and availability. E.g. if you want to do work from 2 pm you can do that. As a freelancer, whenever you need a break, you can get one also you can take naps whenever you need one. Can serve more than one person at a time: No one can bind you to work only for them it is subject to your own discretion. Freelance agreement is not a binding agreement like contract. You may serve services to more than one client at the same time. Providing services to more than one person will help you in increasing your profits.
- **All profits are yours:** If you work under a company then you have a fixed salary and the profit earned by the company is not yours but if you are a freelancer then all the profit earned through clients is yours. It helps in enlarging your business. No need to go to office: When you are a freelancer you can work from your home. Your bed may also become your work place. It depends on you from where you want to work.

DISADVANTAGES OF BEING A FREELANCER

- **No fixed salary:** When you are a freelancer you don't have a fixed salary i: e one month you earn 1 lakh but other month you may not able to earn anything this may affect your personal life and business. Also, Freelancer's don't get the same benefits and 'perks' that permanent employees receive.
- **Legal work:** As you are boss you have to do all the legal works on your own. Unlike working in a company here you are responsible to pay all the taxes, VAT etc.
- **Hard to distinguish between personal time and working time:** Generally when you are a

freelancer you work from home so it is very difficult to distribute working time and personal time.

- **Accountability:** As an independent contractor, you are the bottom line and the success or failure of the business rests on your shoulders, you must be highly self-motivated and disciplined to survive without a manager or other employees to keep you on track.
- **Lack of Job Security:** In freelancing job security is too low as the statistics show that in the first two years most of businessmen fail. So in early years you may have to find an alternative way to earn money.

IMPORTANT CLAUSES IN FREELANCE AGREEMENT

- **Basic Information:** It must include some basic information like name, address, name of company etc. in the agreement.
- **Scope:** The purpose of agreement should be specifically mentioned in the clause of the agreement. As in freelance agreement people hire freelancer only for a specific purpose.
- **Consideration:** In India contracts are governed by Indian Contract Act, 1872. According to sec 2d of Indian Contract Act there must be a valid consideration otherwise contract is void.
- **Duration:** Duration of agreement should clearly be mentioned. It must specify the date of commencement and termination of agreement.
- **Jurisdiction & Dispute Resolution:** It depends upon the law present at the time if it is not specifically mentioned in the terms of agreement that in case of any dispute which court has the jurisdiction to deal with the matter.
- **Timing of payment:** It is also an important clause of agreement as it protects the interest of freelancer. Generally time of payment is mentioned in the agreement.