Official publication of The Chartered Institute of Payroll Professionals

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 71
June 2021

Recruitment, retention, succession

Returning to the workplace
A pressing moment

An uncomfortable period
Life-changing

You're on your own
Risks

CIPP UPDATE

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"The only way to do great work is to love what you do."

Steve Jobs (1955–) (https://en.wikipedia.org/wiki/Steve_Jobs)

Editor's comment

It seems probable that the pandemic has irrevocably changed how and where people work. Indeed, this is evidenced by the large number of press releases I continue to receive that identify a wide range of concerns and wishes employees express about their workplace and work. So, I think many of you will find the article on page 10, exemplary, as it details how the CIPP is handling the return of staff to the office.

Along with the many press releases about the return to work, I note an increase in those about pensions. Hence, this issue carries several articles on developments in this field.

Mike Nicholas MCIPP (editor@cipp.org.uk)
Editor

Chair's message

This issue provides some interesting articles containing practical advice to help with finding, retaining, and developing colleagues. There are many challenges throughout the recruitment, retention and succession planning journey that have seen significant changes in the last year due to the pandemic. Some of these will automatically be adopted due to the benefits and improvements they provide to the way new employees are interviewed, assessed and recruited.

Finding the right person is a critical part of the process. Whilst external candidates bring a fresh perspective, increased diversity and new skills, internal recruitment (where there is a strong internal talent pool ready-to-go) provides employees with the opportunity of promotion. Whether you recruit a candidate for the skills and knowledge they will bring or for their can-do attitude and adaptability for development, will depend on the role available. The fit of an employee for the organisation should always be assessed. You could recruit the most highly skilled candidates, but if they do not fit in with the current workforce the likelihood of them staying will be reduced. Internal candidates will already be vetted for culture-fit, and you will have a strong understanding of their current skills and their ability to learn new ones.

Providing employees with opportunities for growth means they will be less likely to seek it elsewhere. Promotion rates will increase together with your employee engagement and retention rates. Internal promotions send the right signals to your workforce that career progression within the organisation is possible, encouraging and improving retention.

When employees can envision a promising future, they are more likely to go above and beyond to excel in their role. Succession planning means they are more likely to stay, to achieve their desired career goals.

Of course, retention and development come at a cost. Calculating, assessing, and agreeing the available budget will be a challenge. Consider the true costs of retention by incorporating the turnover costs if the right candidate is not chosen or leaves because no development or succession is available. When employees discuss development budget with their employers, the availability of lower cost, online courses that remove travel expenses, should not be forgotten.

Liz Lay MSc FCIPPdip FHEA ACIPD (liz.lay@cipp.org.uk)
Chair, CIPP

CEO's message

The CIPP board recently formally met with the CIPP senior leadership team (SLT) to review the rolling strategic vision for the next five years as well as the progress from our strategic meetings held in earlier years.

This is not an easy task, but with regular input from all levels of membership – through the market insight survey, the future of payroll survey, special interest group input or informally by members – this feedback all helps with the direction of the CIPP.

At the 2019 strategy meeting, the SLT confirmed with the board the following strategic objectives to be achieved over the next five years:

- growing membership and brand awareness (membership)
- leading innovation and engaging certified solutions (qualifications)
- providing knowledge and skills to practitioners (training)
- providing governance and advice to all payroll professionals (governance).

Work continues apace on all these objectives, but I mention particular work on our Foundation Degree offering as we continue to keep this relevant and timely, as this was a key focus at the 2020 strategy meeting. Considerable work and investment on refurbishing our Foundation Degree in Payroll Management and the Foundation Degree in Pensions Administration and Management began in July 2019, under project management of the CIPP. We are leading the content development of all technical modules whilst the Heart of Worcestershire College leads content development in the soft-skills modules. See page 13 for a detailed account of the progress.

The pandemic has shown the importance of payroll and pension professionals; and the demand for training and qualifications – driven both by employees and employers – continues to be a key focus for the CIPP and the board of directors in ensuring all staff working in these key worker positions are suitably skilled in continuing to keep the UK paid.

Keep safe and well.

Ken Pullar FCIPP (ken.pullar@cipp.org.uk)
Chief executive officer, CIPP

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CIPP update

Webinars and forums

THOUGH THE first five months of this year have passed quickly, they were filled with activities, such as the popular BeKnowledgeable webinars, the Annual General Meeting, the BeConnected: National Forums, and the 2021 Budget Day website and social media 'takeover'.

We hope you enjoyed the BeConnected: National Forums and found them entertaining and useful in equal measure. If you attended, you should have received a recording of the session so you can refer to it should you need to.

The successful BeKnowledgeable webinars will return at the end of this month and continue throughout the summer, so do try to book your place when you see them advertised, as the previous sessions proved incredibly popular.

Foundation Degrees refresh

THE ARTICLE, 'Not just a lick of paint' (see page 13), reveals that the CIPP has been working alongside industry professionals and educators to refresh the Foundation Degree offerings, to ensure the qualifications stay up to date and relevant to the issues facing payroll and pensions professionals today.

The refreshed modules for year two will roll out this autumn, with the reviewed content for years one and three launching in 2022.

CIPP listed among best to work for

THE CIPP is delighted to announce that it has been recognised by Best Companies Live (https://bit.ly/3yBznXC) as 'Officially a very good company to work for', awarding the Chartered Institute:

- 7th place, in The Top 10 Not For Profit Bodies to Work For
- 80th, in The Top 100 Small Businesses to Work For
- 84th, in The Top 100 Best Companies to Work for in the Midlands.

Once again, the listings recognise the hard work and dedication that has gone into the past twelve months to keep the industry updated and the UK paid.

National Payroll Week

YOU CAN continue to celebrate the important role pf payroll professionals by requesting the digital National Payroll Week pack.

Last year saw the most successful National Payroll Week to date, with over 5,500 packs downloaded and engagement rates at an all-time high.

Let's build on the success of 2020 and ensure that payroll professionals continue to be at the forefront of their industries, whilst celebrating themselves and their colleagues for their outstanding performance and achievements. You can request your pack here: **www.cipp.org.uk/events/npw-landing.html**.

Benchmarking survey

THE CIPP'S benchmarking survey remains open throughout June, so please take the time to complete it, as this will aid the Chartered Institute in creating a benchmarking report based on the activities of the whole profession. This report will establish salaries, error rates and current trends so you can benchmark your organisation against current industry standards, assisting you in your future decision making and supporting you in future improvements and enhancements to your processes.

You can access the CIPP benchmarking Survey 2021 here: **https://bit.ly/3xJswek**.

Chartered members

THE NEW chartered membership process, which is live, offers two clear routes for application; via either your qualifications or your extensive experience.

You can find out more information about Chartered membership here: **www.cipp.org.uk/grades/chartered-membership.html.**

The next Chartered member panel will sit on 13 June.

CIPP shortlisted for awards

THE CIPP is thrilled to announce we are shortlisted as finalists in three categories in the Association Excellence Awards. The categories are:

- Best Membership Support During Covid-19 (5,001+ Members)
- Best Association Magazine (Circulation under 25,000)
- UK Association of the Year

Being shortlisted in these categories is a moment of huge recognition and we accept these positions on behalf of the profession which has worked tirelessly throughout the pandemic to keep the UK paid. Winners will be announced on 29 June.

2021 Annual Excellence Awards

DON'T FORGET that the CIPP's 2021 Annual Excellence Awards are open for nominations, including our four new award categories. To find out more and to make your nominations, visit: **www.cipp.org.uk/events/annual-excellence-awards.html.**

UPDATE

On your behalf

Policy team update

The CIPP's policy and research team provide an update on developments. The team has been busy delivering the first in a series of new-style BeConnected: National Forums, attending consultation forums, and keeping payroll professionals up-to-date with all of the latest news

BeConnected: National Forums

Over the past year the CIPP has, like many organisations, adapted to delivering updates and webinars virtually. Traditionally, such events have been held face-to-face, so the transition meant several departments being involved and substantial changes made to event processes.

With this change came the opportunity to trial a new style for the BeConnected: National Forums. The sessions now involve policy and research officers Gemma Mullis and Lora Murphy providing the traditional legislative update of all the changes with the focus shifting in part two to practical payroll and the exploration of implications of coronavirus.

The BeConnected: National Forums also feature new policy lead, Samantha Johnson, who discusses the future of the profession, providing an overview of some of the recently launched consultations which could have significant impact on payroll. Samantha also considers how payroll teams might look in the future, and how to maximise the benefits of membership with the CIPP. This is followed by a Q&A session, which provides the opportunity for delegates to submit any questions that they may have.

The BeConnected: National Forums also include questions for the audience to answer, which feed into the research that the policy team undertakes.

When the BeConnected: National Forums programme ends, the BeKnowledgeable webinar series will resume following a brief hiatus.

The policy team would like to know which topics you would like to see featured. Please send your ideas to the team at **policy@cipp.org.uk**.

Payrolling of benefits

The CIPP's policy team, in conjunction with HM Revenue & Customs (HMRC), has been looking at ways in which the use of payrolling benefits can be encouraged and advertised more widely to businesses.

Payrolling involves processing benefits through the payroll in real time, negating the requirement to issue annually a P11D return for those provided with those benefits. There are currently a couple of benefits that cannot be payrolled, which are employer-provided living accommodation and interest-free and low interest loans. There is still a requirement for details relating to those benefits to be reported in the P11D return.

> ***...the pandemic has disproportionately impacted some sectors...***

Given the impact of the pandemic and the subsequent enhanced focus on financial wellbeing of individuals, employers may opt to payroll benefits as this means employees effectively pay the tax associated with the benefits at the same time as they receive them. The P11D process means that they are not taxed on those benefits until the following tax year, as their tax code is adjusted accordingly only once HMRC has received the relevant information.

The CIPP will be hosting a survey asking organisations about the process they use to report taxable benefits to HMRC, and what the barriers are to payrolling benefits. Please keep an eye out for this survey, and respond where possible, as your feedback is invaluable to both the CIPP and HMRC.

A Quick Poll recently hosted on our *News Online* page revealed that the majority of employers still issue P11D returns (49%), with 20% opting to payroll benefits, and 31% combining the two processes.

If you have any additional feedback on the topic of payrolling benefits, please contact **policy@cipp.org.uk**.

The future of the NMW/NLW

In April 2021, the CIPP's policy team held a virtual roundtable Think Tank, giving full, fellow and Chartered members the opportunity to liaise with the Low Pay Commission about the recently published consultation which explores the national living wage (NLW) and national minimum wage (NMW) rates for use from April 2022 (http://ow.ly/rxKi30rGE4u).

The session was beneficial, with attendees giving insight to how businesses, particularly in certain sectors, have been affected by the pandemic. It was interesting, and at times sombre, to hear how some organisations have thrived but how others have consistently struggled. It is apparent that the pandemic has disproportionately impacted some sectors, and this could potentially continue for a long time.

The resounding outcome of the meeting was that though increasing the NLW/NMW would be a positive move, wider external economic conditions need to be considered carefully. There was much discussion about the impact of the increases on individuals paid at a rate not much higher than the minimum but who have greater responsibilities than those paid at the minimum. There were also questions raised as to why the minimum rates are linked to age, and not job requirements or skill sets, as somebody aged 18 could potentially be performing the same duties as a 25-year-old but be paid significantly less.

The CIPP will be submitting a formal response to the consultation, but we require your feedback. There's still time to respond to our survey on NLW/NMW rates from April 2022, here: **https://bit.ly/33nhmy1**. All feedback and responses are much appreciated, so thank you in advance. ■

Advisory

The CIPP's **Advisory Service team** provides answers to popular questions

Q: Can an agency engage with a sole trader?
A: Agencies should not be engaging sole traders. The legislation does not allow self-employment when an agency is involved in the contractual relationship between the supplier and client. For income tax purposes, where the conditions in section 44(1) of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) (https://bit.ly/2Qzdrva) apply, the worker is treated as holding an employment with the agency. The remuneration which the worker receives as result of entering into such arrangements with an agency is treated for income tax purposes as earnings from employment. In these circumstances, sections 688(1) and (1A) of ITEPA (https://bit.ly/3gGwcay) suggest that the agency is the employer who is responsible for operating PAYE (pay as you earn). HM Revenue & Customs (HMRC) could also pursue the agency for any unpaid income tax and National Insurance contributions (NICs).

Q: We know that tax cannot be deducted above the regulatory limit which is 50% of gross pay, but does this apply to notional amounts that are included only for the purpose of increasing taxable pay for benefits in kind?
A: From 6 April 2015, the regulatory limit which ensures employees have no more than 50% of their pay deducted as income tax under PAYE was extended to all tax codes. If the tax hits 50% of gross pay, the tax exceeding the limit is carried forward to the next pay period, as tax cannot exceed 50% of gross pay in a pay period.

Effectively an employee will have both taxable pay and gross pay in their payslip. The payroll section should ensure that the notional benefits are not included in gross pay as the regulatory limit applies to gross pay only. This is achieved when the notional benefit is created in the background of the payroll software. When setting up the 'allowance code', the user would ensure the allowance was subject to tax and class 1A NICs but not included in gross pay. An employer may need to contact their software provider to help with this.

Q: We have an employee who during her statutory maternity leave (SML), which started on 9 March 2021, set up her own small business and became self-employed.

Can she remain on SML and receive statutory maternity pay (SMP)?
A: Once an employee becomes entitled to SMP she continues to be entitled even if she undertakes self-employment. Although classed as working in the maternity pay period, undertaking work in a self-employed nature during this period will not affect the employee's SMP, and she would remain on SML.

Q: We have four contractors working for us for whom we have used HMRC's check employment status tool to establish their status. Two of them are self-employed for tax purposes and two are outside of the off-payroll working rules. For which contractors do we have to send a status determination statement (SDS)?
A: If the end client or hiring organisation is not regarded as a small business under section 382 of the Companies Act 2006 (https://bit.ly/3exuw0B), they should communicate the result of the status determination test (SDS) by issuing the contractor with a copy.

From 6 April 2021, the end client must inform the worker and the agency, or other organisation they contract with, the results of the determination. End clients should forward the SDS to these parties regardless of whether their determination shows that the off-payroll working rules apply or not. They must also provide reasons for their determination.

If the working practices of the engagement change and a new contract is negotiated with the worker, the end client will need to perform another assessment. The off-payroll working rules relate to the specific contract for services that a worker undertakes, so if at any time there is a change to that contract the end client should assess whether the rules apply.

Q: We acquired two small companies in tax year 2020/21. Each has its own PAYE reference, and there is a total of 25 employees. Should each company be paying the apprenticeship levy?
A: If an individual employer becomes connected to another company mid-way through the tax year, then by virtue of the connectivity rules both continue to have the levy allowance which they had at the start of the tax year for the remainder of that year.

At the start of the new tax year, the companies will be classed as fully connected and they will have to determine how the levy allowance will be allocated between them.

For reference, see section 3 of the National Insurance Contributions Act 2014 where it discusses the connected persons legislation (https://bit.ly/3tmP5TI).

Q: Can you please advise whether there is an obligation for an employer to pay extra if an employee works a shift when the clocks have gone back? Also, can we pay an employee less when the clocks go forward?
A: If the employee has worked an extra

hour when the clocks go back then they must be paid for this. To refuse to pay for the extra worked hour could potentially be a breach of contract and the National Minimum Wage Regulations 2015.

When the clocks go forward the employee works an hour less and therefore might be paid an hour less subject to the terms and conditions of employment.

Q: If an employee leaves before 6 April 2021, what tax code should be used if a payment is going through for them at the end of April?

A: The guidance in HMRC's P9X notice (https://bit.ly/3dUvPHK) states that an employee who leaves before 6 April 2021, regardless of whether a payment is being received in April or not, should not have their tax code uplifted.

You should not uplift these tax codes but instead leave them as they were at the end of the previous tax year for the payment in April.

Q. When calculating the average weekly earnings (AWE) for SMP, should the value of shares received by the employee during the relevant period be included in the calculation? In accordance with professional advice we put the value of the benefit through the payroll as a notional payment to ensure the correct PAYE tax and NICs are calculated.

A: Payments in kind ('benefits in kind', according to income tax terminology) may be liable to class 1 NICs. Such payments might fall to be treated as 'readily convertible assets'.

Section 171(4) of Part XII (Statutory maternity pay) of the Social Security Contributions and Benefits Act 1992, provides that "…a woman's normal weekly earnings shall…be taken to be the average weekly earnings which in the relevant period have been paid to her or paid for her benefit under the contract of service with the employer in question".

Regulation 20 (Meaning of 'earnings') of the Statutory Maternity Pay (General) Regulations 1986, provides that "For the purposes of section 171(4) of the Contributions and Benefits Act, the expression 'earnings' refers to gross earnings and includes any remuneration or profit derived from a woman's employment except any payment or amount which is excluded or disregarded in the calculation of a person's earnings under regulation 25, 27 or 123 of, or Schedule 3 to, the Social Security (Contributions) Regulations 2001 (payments to be disregarded…)".

Part II of Schedule 3 (https://bit.ly/3nqZN9B) refers to payments in kind that can be disregarded but specifies that (amongst other things) "the conferment of any beneficial interest in any asset mentioned in Part III or Part IV" is not to be disregarded. Part III lists payments by way of readily convertible assets; and Part IV lists payments by way of specific assets. Part IX (Incentives by way of securities), provides that "Payments by way of securities, restricted securities and restricted interests in securities, and gains arising from them, are disregarded in the calculation of an employed earner's earnings to the extent mentioned in this Part".

As you have been advised that the value of the shares are 'earnings' the amount is subject to class 1 NICs. Accordingly, you have correctly made a notional payment through the payroll thereby increasing the individual's NICable earnings and the amount of class 1 NICs due. So, when calculating average weekly earnings the amount should be included.

Q: Where there are connected companies, do you have to add the total NICs paid amongst the group to calculate whether a company is eligible for small employer's relief or is each company treated separately?

A: HMRC guidance (https://bit.ly/3ns5vlk) states: "You can reclaim 103% if your business qualifies for small employers' relief. You get this if you paid £45,000 or less in class 1 National Insurance (ignoring any reductions like Employment Allowance)".

Potentially, this could mean that if the companies are connected for items such as the employment allowance SMP funding for the smaller company would not be allowed.

However, regulation 2 of the Statutory Maternity Pay (Compensation of Employers) and Miscellaneous Amendment Regulations 1994 (https://bit.ly/3alXoBQ), makes no reference to connected companies for this purpose.

Our understanding is that this is solely based on the information sent in the employer payment summary for the PAYE reference, and not upon the total sum of the connected companies' NICs. ■

National Minimum Wage and other worker entitlements

Gain a detailed overview of National Minimum Wage (NMW) & National Living Wage (NLW) including the current rates payable.

Learn to identify who is eligible, the calculation steps needed, record-keeping and compliance activities required.

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Spotlight on...

Samantha Johnson LLB(Hons) MCIPPdip
CIPP's policy lead

As one of our newest team members here at the CIPP, Sam is excited to work closely with members over the coming months and years.

How did you start your payroll career? Was it choice, or did you fall into the role like many payrollers do?

Throughout my teens, I'd always planned on becoming a barrister. I had this 'court room drama' view of a legal career sporting a (not so) fetching wig and arguing my case to a judge and jury. On completing a law degree, you have to study for another year and complete a bar vocational course to fully qualify as a barrister; well, at this point, and now in my early twenties, I wasn't sure if law was my true passion.

I wanted to experience more of what the world had to offer, and as a typical skint student I wanted to earn some money. So I took up a civilian role working for Leicestershire Police.

After a few years, I did some soul-searching and reflected on what I really wanted from my career. I'd always loved studying maths at school, so I decided to begin studying accountancy to see if I was suited to a career in finance. Not long after, an internal vacancy came up within the finance department for a payroll administrator. I applied for the role and was lucky enough that they took a chance on an eager twenty-something with no experience. Since then, I've never looked back.

How did you then move into policy?

With a legal background, the practical application of policy, legislation, regulation, and case law on payroll has always been of particular interest to me. I've always been keen to remain close to what is coming next and work closely with my team to prepare the business for the changes that were coming.

I enjoy the problem-solving element, studying the legal framework, and interpreting that framework into a practical reality. When I saw the policy role vacancy with the CIPP it felt like the perfect role, an opportunity to influence policy from the outset, represent the voice of payroll, and then help payroll professionals across the UK put those changes into practice.

Did you study a specific course to help you enter this career?

When I first joined the Leicestershire Constabulary payroll team, I had no experience of payroll. I was, and still am, incredibly grateful that my manager was keen to support me in learning more about payroll and enrolled me onto the CIPP Foundation Degree in Payroll Management.

The course provided me with an in-depth and thorough education in the wide-ranging role of payroll – from the relationships between internal and external customers, to calculating statutory payments and deductions. This qualification provided a fantastic foundation to my payroll career.

Was there a moment in your career/life that made you want to enter a career in payroll?

Payroll often isn't particularly well understood by those outside the industry, and I was one of this group before I joined the profession. So, it's difficult to say a moment that made me want to enter payroll.

However, the opportunities I had with JCB – working on some really exciting projects that brought big changes to the business – showed me the impact that payroll can have. It was then that I knew that this was what I wanted to do for the long term.

How do you feel when you know you have made a positive difference through your advice and work?

I have so much respect for the payroll community across the UK. Payrollers are hardworking, meticulous and seem to have this innate superpower of attention to detail. They never fail to amaze and inspire me. They're pragmatic problem solvers, customer focused and are committed to delivering accurately and on time, every time.

The opportunity of making a positive difference to this industry makes my role so rewarding. I really understand the pressure that payroll teams are under, and if the CIPP and the policy team can ease some of that pressure, give them a shoulder to lean on, or offer them support – whether that be through our Beconnected: National Forums, our BeKnowledgeable webinars, our webcasts, special interest groups or via *News Online* or *Professional* magazine articles – it makes me feel so proud to be a part of that.

What has been you biggest sense of achievement since joining the policy team with the CIPP?

For me, this is a brand-new journey with the CIPP. However, even this early into my journey I've had some fantastic opportunities – being part of the BeConnected: National Forums, a member of *Reward Strategy's* global payroll question time panel, and joining a roundtable to discuss the future of national minimum and living wage – all in my first few weeks! However, I think the biggest highlight so far is having the opportunity to be a part of the consultations and calls for evidence that came out of Tax Day in March 2021.

The future is certainly not going to stand still in the world of payroll and I'm so excited to be at the heart of it.

Tell us about a typical week as a policy team member?

The policy team have such a varied working week. The team work really hard on pushing out lots of content to support our members and payroll professionals to keep up to date. We produce articles for *Professional* magazine and prepare for and present on webinars. (We can't wait to deliver some face-to-face events when safe to do so again.)

Another big part of the role in the policy team is working on government consultation responses and being a part of working groups and forums. The CIPP are keen to ensure that the views of the payroll profession form part of changes that impact the profession in the

future, and the policy team is at the centre of this ambition.

What techniques do you use to provide detailed accurate content?

Accuracy is part of the payroll mantra, so check and double check is often the technique I adopt. A second pair of eyes is often important, too. Sometimes when you've looked at something for too long, it's difficult to see the wood for the trees. Finally, and hopefully it goes without saying, I always make sure I'm using a reputable source. There is so much content out there on the internet now, it's vital that we only rely on sources that we know are accurate and trustworthy.

What type of skills does a policy team member need?

The policy team are payrollers at heart, so it is important to us that we understand and have experience of how payroll operates practically – both in businesses and bureaus of all shapes and sizes – which helps us ensure we can deliver our updates in a way that makes them relevant and clear to our members.

The team also need to be able to research and digest information, understand the impact on our industry, and accurately summarise that information in articles or news updates. Presentation skills are really important too, as we deliver a lot of our updates on webinars, webcasts and at events. Being a bit of a payroll geek is helpful as well.

What's the most interesting fact you have ever heard about payroll?

The reason the tax year starts on 6 April is linked back to Britain being stubborn in the sixteenth century. Europe moved from the Julian calendar to the current Gregorian calendar in 1582, but Britain didn't make the change for almost another 200 years. This created a problem because the Julian calendar wasn't accurate, so over the years the calendars had fallen out of sync by eleven days meaning Britain lost those days in the transition. In the space of one day, the calendar moved from 2 to 14 September. With an eagle eye on revenue, the treasury was keen that the tax year remain 365 days so moved the end of the tax year from 25 March to 5 April.

Where do you receive your knowledge and updates from?

In my previous role, I have always looked to the CIPP for updates on the ever-changing world of payroll. It's so tough to find the time to do the research when you're delivering against payroll deadlines, so I used whatever tools I could to make it easy for myself. As a part of the policy team, I subscribe to updates from a wide selection of sources.

Gov.uk is also a great source of knowledge, and a good reference for established policy and legislation. I also look to my payroll network through LinkedIn and beyond to stay up to date with the challenges of operational payroll. ■

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Returning to the workplace

Vickie Graham DipM ACIM ACIPP, CIPP's business development director, outlines the Chartered Institute's evolving policy for its office-based staff

From 23 March 2020, all CIPP employees were working from home. Some were remote workers prior to the pandemic, but most had been phased out of the office in anticipation of a national lockdown. At the time we had an office sweepstake with the majority anticipating us being back by June – but no one imagined that would be June 2021!

The senior leadership team (SLT) started communicating with colleagues, daily initially, via email to confirm what discussions were being had regarding returning to the workplace, and how to keep positive during difficult times. These emails would sometimes include a video message, as well as positive messages for colleagues. As the working conditions became the 'norm' we reduced the frequency to twice a week.

In addition, following announcements made by the prime minister, Ken Pullar, CIPP's chief executive officer, would write to colleagues to advise on the SLT's thoughts regarding what they would mean for those looking to return to the office.

Through these communications to the team, we issued surveys asking what employees would like to see to make them feel safer when returning to the office. Following the feedback, along with timely government guidance, we made plans to phase a return of employees from 20 July to 4 September 2020. To do this in a covid secure way we conducted a risk assessment and made the following changes.

1. Health and safety checks were completed in the office, including legionnaires' disease checks for the water and servicing of our air conditioning and fresh air systems.
2. A deep-clean of the office was organised for the week before employees returned, including a clean of the air conditioning units.
3. Introduced a policy so all employees were aware of what had changed and their obligations and responsibilities to their colleagues, such as to clean surfaces in communal areas if used and to maintain social distancing at all times.
4. Temperature checks on entering the building.
5. Contactless hand sanitisers were placed at all doorways where hand washing facilities were not available, and colleagues were encouraged to use these prior to touching surfaces such as door handles or rails in stairways. In addition, we placed hand sanitiser bottles in all meeting rooms.
6. Face coverings and gloves were provided.
7. Antibacterial wipes were provided for wiping desks during the day, as well as in communal areas to maintain the cleanliness of surfaces until our nightly clean.
8. Although our desks are 2 metres wide and 1.5 metres deep, enabling social distancing, screens were erected between them to provide extra protection following feedback from employees.

> ...no one imagined that would be June 2021!

As mentioned, we phased the return over an eight-week period. This allowed for us to test the changes and policy without having everyone being back at once, and made people feel more comfortable. Which phase a person returned in was determined by job role and therefore requirement to be in the office.

In determining who returned during which phase, consideration was given to vulnerable employees and their families. This did not just consider health but took into consideration how people travelled to the office and those within their households.

The phased return was successful, and we issued surveys to determine how employees felt once they had returned, with those who completed the survey confirming that the office felt safe and covid-secure.

Shortly after returning, we went into lockdown two and as government advice was to again work from home where possible we moved employees out again during October. However, there was more emphasis on mental health and wellbeing, and recognition that not everyone could work from home, so the office remained open for those who needed an office environment; and this has been the case from 29 March 2021 during lockdown three.

Approaching the end of lockdown three, the SLT are discussing what a return would look like. We are planning to return from 21 June and, again, this will be phased. We are having discussions with our teams and keeping on top of government updates to ensure we are covid-secure and that the teams are comfortable in their working environment. Where roles allow, there will be a degree of flexibility moving forward, but this carries its own challenges when considering hardware and software requirements, and changes to contracts.

Generally, there is much debate regarding whether employers can insist upon their employees being vaccinated before returning to an office environment. Whilst this is understandably something employers would consider, we acknowledge that not all employees will be willing, nor able, to be vaccinated. There are some groups who have been advised not to have the vaccine due to potential risks, others will have personal or religious reasons for choosing not to be vaccinated, and as an employer we cannot discriminate because of this. Therefore, the issue is not how we enforce vaccines in the workplace, but how we make it secure without them. ■

To appear on this page contact **editor@cipp.org.uk**

Movers Shakers

activpayroll APPOINTS DAVID DEACON

GLOBAL PAYROLL and tax compliance specialist, activpayroll, has appointed David Deacon as chief people officer, bringing over thirty years of international HR experience to the team.

The position of chief people officer is the first of its kind within activpayroll and has been designed to drive forward the global people strategy and build on the strong culture that already exists while keeping in line with strategic global expansion plans.

David Deacon commented that "it's a really exciting time to be joining the team and I'm thrilled to have this opportunity", adding "I look forward to contributing my own expertise to help activpayroll achieve its full potential over the coming months."

Alison Sellar OBE, chief executive officer of activpayroll, commented: "The invaluable experience and fresh outlook that David brings to the team is already evident and I know that he has an important part to play in the future of the company as we continue to drive our people strategy to be the best employer we possibly can be."

Personal development news

WORKFORCE ISSUES AND TRENDS

A RECENT survey conducted by PwC of 32,500 workers in nineteen countries looked at a range of workplace issues, some of which reflect the fact the pandemic has accelerated a number of workforce trends, including:

- 60% are worried that automation is putting many jobs at risk
- 48% believe traditional employment won't be around in the future, and
- 39% think it is likely that their job will be obsolete within five years.

However, 40% of workers say their digital skills have improved through the prolonged period of lockdown, and claim they'll continue to embrace training and skill development. Some 77% are ready to learn new skills or completely re-train; 74% see training as a matter of personal responsibility; and 80% are confident they can adapt to new technologies entering their workplace. In addition, 49% of respondents are focused on building entrepreneurial skills with an interest in setting up their own business.

The survey found disparities in access to upskilling opportunities. While 46% of those with postgraduate degrees say their employer gives them many opportunities to improve their digital skills, just 28% with school-leaver qualifications say the same. Industries like retail or transport, which are most at risk of disruption, score just 25% and 20% respectively; while banking scores 42%.

The survey also found that half the workforce report missing out on career opportunities or training due to prejudice:

- 50% say they've faced discrimination at work which led to them missing out on career advancement or training, and
- 13% report discrimination on the basis of class, with post-graduates and others with higher qualifications more likely to report prejudice.

Bhushan Sethi, joint global leader of PwC's People and Organization Practice, commented: "Government and business leaders need to work together to intensify efforts to ensure people in the most-at risk industries and groups get the opportunities they need. Automation and technological disruption are inevitable, but we can control whether its negative effects are managed or not."

ONLINE LEARNING

Holiday pay and leave

Case law continually produces changes to employees' statutory holiday leave and pay entitlement, which are covered in this informative course, along with the various types of leave and the calculation of pay.

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Can we really motivate using a few easy steps?

The Key to Success, and a call to action, by **Subio**

ADVERTORIAL

The working environment for many has changed considerably over the past twelve months. Many have found it increasingly difficult to keep themselves or others motivated. So, wouldn't it be great if we could motivate in a few easy steps? How would you feel if someone had a guaranteed formula to motivate you and everyone else?

Sustainable human motivation is an area we continue to explore. Daniel Pink, Barry Schwartz and Simon Sinek are among those leading the social media charge on the importance of purpose, or what is increasingly referred to now as 'why'. More and more organisations apply greater focus on purpose in order to reach and motivate people, but is purpose really enough? As Sinek suggests, we need to start with why, our very own authentic 'why'.

There are various schools of thought on how to discover one's own 'why,' but let's start with what each of us hold dear. Shalom H. Schwartz argues that there are ten basic human values, which include our own concepts of:

- **Self-direction:** freedom, self-respect, curiosity.
- **Stimulation:** excitement, variety, daring.
- **Hedonism:** pleasure, enjoyment, indulgence.
- **Achievement:** success, ambition, influence.
- **Power:** authority, wealth, recognition.
- **Security:** social order, health, belonging.
- **Conformity:** self-discipline, interacting with the expectations of others.
- **Tradition:** respect, commitment, customs.
- **Benevolence:** helpfulness, forgiveness, loyalty.
- **Universalism:** social justice, environment, equality.

Almost every human value and compelling reason can be traced back to one or more of these. It is the nuances of interpretation, coupled with the fluid nature of the needs they create which illustrates the problem with motivational hacks. We each have our own unique mix of interpretations and needs based on our life experiences – our own unique 'why'.

Our experiences continue to shape us from cradle to grave, either reinforcing our beliefs or causing us to evaluate some that are less-established. Our values and our needs vary and whilst we will have some commonality, the regular flexing of their importance means they change from person to person and from day to day. This creates almost an infinite number of combinations at play on any given day which is impossible to cater to, right?

This is why authentic company values, along with clarity of mission and vision, do play such an important role in motivation – they operate using the law of attraction to help identify some shared core values, but they are not enough in isolation, nor if the rest of your working environment is inhibiting other values or needs from being fulfilled.

For over 200 years we have operated on the principal of power being the trump card in motivation. It has therefore become our default answer to everything, yet in certain situations this can be actively demotivating.

In their research, *Effort for Payment*, James Heyman and Dan Ariely make a case for the danger of this as a default stance using a simple exercise of moving a sofa into a van. Participants were asked either to help as a favour or for a small fee. The very introduction of money switches the decision from a social transaction (is it the right thing to do) to a financial transaction (is it worth the time and effort). You don't need to read the research paper to know the outcome of the experiment.

Unfortunately, there are no quick fixes to motivating unique individuals. If we are to sustainably motivate, we need environments which provide clear anchor points that identify and satisfy whatever specific need is important at any given time. We have to invest in understanding our 'why' and those of others around us.

Any form of sustainable success comes from being motivated, individually, as a team or as a business. That motivation is fuelled through firstly investing the time and effort in understanding what are the real compelling reasons (why) that drives us to achieve our goals and needs. ❑

A call to action – we would love to hear from you

Our Subio Key to Success is a unique framework that can be applied individually or across an organisation to significantly increase the chances of success in any goal. We would love to hear about any successes that you have achieved and how you arrived at your compelling reason behind this success. For those who share this insight, we will select three who will be rewarded with the opportunity to attend our K2S Personal online training programme completely free of charge and without any obligation. If you would like to participate and share details of a recent success, please email details to our chief executive officer, John Cronin (john@subio.co.uk). Further information about The Key to Success can be found at **www.subio.co.uk.**

Not just a lick of paint!

The CIPP's pre-eminent foundation degrees are being refreshed with new content rolled out in autumn 2021. **Dr Sue Smith EdD MA BEd FHEA FCMI CMgr Assoc CIPD, ACIPP, CIPP education director,** reveals the redevelopment progress

The CIPP's Foundation Degrees are highly coveted within the payroll and pensions industry and recognised as benchmark qualifications. Both the Foundation Degree in Payroll Management and the Foundation Degree in Pensions Administration and Management are currently going through a modernisation project to ensure they continue delivering the best quality content possible and assisting payroll and pensions professionals who wish to carve out their career paths. This modernisation process will not devalue previous versions of these qualifications but is simply a review and refresh process to ensure current industry standards are being reflected.

The Foundation Degree in Payroll Management was initially developed more than twenty years ago: originally as the BTEC Diploma in Payroll Management and becoming the Foundation Degree in Payroll Management in 2007. The Foundation Degree in Pensions Administration and Management was launched in 2008. Both degrees are currently awarded by the University of Worcester.

Following the board's consideration, a series of taskforce groups were held throughout 2018 to gather feedback on the Foundation Degree programmes from a variety of stakeholders, including tutors, students, recruitment agents, employers, bureau employers, industry professionals, academics, and finance and HR (human resources) professionals. Additional data was gathered by an independent research company conducting a survey, and the CIPP looked at relevant data from the annual markett insight survey. Phone calls were undertaken by the CIPP to drill deeper and find more information about what was required and what was desired by consumers, academic partners, and stakeholders across the industry.

Once a programme is validated by an academic partner, it can be time-consuming and potentially costly to make changes to its structure and content; major changes require a process of revalidation to ensure it remains fit for purpose and that the university is still prepared to validate the award. These parameters meant we were concerned with ensuring the material and delivery were addressed but that the architecture of the course, the learning outcomes and the assessment strategy, largely remained in place. At an initial project meeting in 2019 which comprised key personnel from the University of Worcester, the Heart of Worcestershire College, and senior leaders at the CIPP, the process for embarking on the programme development was agreed. This was to ensure that development on the working programmes would not compromise the current validation status, as students were still studying the programmes whilst redevelopment work was underway.

> ***...continue to be recognised as the premier qualifications...***

In addition to the recommendations provided by participants from the research undertaken, the CIPP were keen to build on this and inform the programme with industry professionals' and practitioners' views and ways of working. 'Industry experts' were invited to collaborate during the proposal and build phases for the new material, ensuring that the team involved in developing the programmes were subject matter experts from both academia and the payroll industry.

In July 2019, the first invitations went to identified subject matter experts to request their participation in the first of three main waves of the project; this included industry professionals and practitioners, current tutors, academics, and payroll specialists. By the end of that month the scope of the project had been communicated at a kick-off meeting to mark the start of the development; wave one.

Approval from the academic partners over the proposed changes to the first wave of modules was received and, by February 2020, building of the new materials was underway. Industry specialists continued to participate and contribute views and opinions on the content. This helped to keep the content grounded and relevant for professionals and practitioners. Despite the pandemic's disruption, pilot testing of the new materials started in autumn 2020 and continues.

By autumn 2020, a further wave of modules had been selected for re-development (wave two), split as these comprised technical and non-technical modules (the latter focused mainly on soft skills). Before roll-out, all modules must be piloted and amended where necessary, and the teaching staff have to be well-versed with content and delivery. Ready for launch in September 2021, approval by the academic partners and the awarding university must be obtained, with support materials loaded on the system ready for use – all whilst cohorts of students continue to study on the current programmes.

In autumn 2021, it is anticipated that two of the three waves will be rolled-out to students; and, by autumn 2022, all three waves incorporating all modules from both programmes will be launched.

Over the years, thousands of payroll and pension professionals have been graduates of the Foundation Degree. The CIPP, in conjunction with its academic partners will ensure these professionally recognised qualifications are robust and relevant and continue to be recognised as the premier qualifications in the career path of pension and payroll professionals. ■

Diary of a student...

Alexander Scott-Ruddock MCIPPdip,
Payroll manager,
Citroen Wells Accountants

Tell us a little about your background and life so far.

After school, I had no idea what I wanted to do, so academia followed. My tutor suggested I go to university and study history which I enjoyed, and then decide. Thinking this a good idea I did a three-year degree at the University of Kent, Canterbury. Though I enjoyed this qualification and graduated, I did not want to become a historian or history teacher – which meant I still had no idea what to do.

Over the next few years, I studied and trained as an accountant in my hometown of Bury St. Edmunds, but not enjoying it I moved to London as an independent financial adviser in September 2008. Alas, this was a fortnight before the credit crisis hit, and that was my job gone.

After this, I got a call asking would I be interested in an interview for a payroll job. As I had nothing to lose, I said yes and started my career in payroll in March 2009.

What can you tell us about your career and qualifications?

My first payroll job was at pub company Greene King running a payroll of around 3,000 people. After moving around the weekly payrolls over the next four years, I needed a new challenge.

Whilst I had completed the first year of the CIPP Foundation Degree in Payroll Management, Greene King decided I did not need years 2 and 3 for my job, so I moved on and tried my luck elsewhere. While also trying to do years 2 and 3 I worked at the head office for cleaning company Servest, working on their four-weekly payrolls. Following this, I worked at Peter's Elworthy & Moore in Cambridge, which was my first exposure to a payroll bureau. Subsequently, I worked as payroll manager for Taylor Keeble in their Cambourne office, but they also had an office in Canary Wharf, London where I would sometimes work. This prompted me to move to London and become payroll manager for Citroen Wells, working close to Oxford Street.

With Taylor Keeble and Citroen Wells, I got to complete my payroll qualification.

I have now been working in payroll for twelve years, 4.5 years as a payroll manager, and I am qualified with the CIPP up to level 5 (Foundation Degree level).

Why did you choose to study the Foundation Degree, and how did you find the qualification?

Though the qualification was the choice of Greene King, I saw first-hand that the CIPP qualification was the one you want.

Year one on the whole, I found pretty easy; as long as you learn the basics of payroll, you can do it. However, the second and third years are much more complex, and this is where the qualification tests you.

What advice would you give to others who are thinking about studying to improve their career?

If you want to go further in your career, this is a no-brainer! Go for it. It will improve not just your career but you as a person, too.

How did you manage the work-life balance and your study? Do you have any tips for others in the same position?

Work/life was the most challenging part of the qualification, but when you are trying to study running the department takes priority. There were some very late nights involved, but they were all worth it. There is no better feeling than having studied hard for something, and then a week later in the real world you're asked a technical question which you answer, even quoting a technical reference to the legislation.

What would you say is the most important thing you learnt?

There is so much to learn in payroll, so realising that you will never know it all helps to relieve pressure that you should. There are always sources or places you can find out the things you don't know. (I recommend the CIPP's Advisory Service.)

What did you gain from this qualification – both in terms of skills and also career progression?

I gained a sense of knowledge and perspective, and specifically fantastic knowledge in people management. Also, learning about the Employment Rights Act etc are things which I would never have known but are fascinating. It has also helped my career progress.

I would not have been able to be a payroll manager without this qualification. You can be found out quickly if you don't know your stuff, especially in London. This qualification has helped my career move forwards, and helped my confidence in my profession, too.

Knowing you have the support of the CIPP qualification (and ensuring you keep up your CPD) helps ensure you keep the confidence levels to a maximum so that when you are challenged on something, you will have the confidence to respond professionally and back it up with the relevant evidence. ■

#BePayroll

Rona Betts MCIPP, head of payroll & pensions, Aster Group, talks about her career in payroll and about the role the CIPP has played in her development

I started my payroll career with the Women's Royal Naval Service (WRNS) when I was seventeen years old, where I learned manual payroll. Because of my qualifications when I left school, I was told I had to do payroll as I was 'too qualified' to do any other role within the WRNS!

So, it was purely by chance that I ended up in such a brilliant profession, but I am so glad I did. By the time I left, I was processing 400+ manual pay calculations (gross to net); and 68% of my life had been payroll related.

I have gone from strength to strength since those times, enjoying the ever-changing world of payroll and all the challenges that it brings daily.

I have been responsible for both large complex payrolls and small payrolls across all areas of business. I have played a key part in choosing software for the business and being a key player in projects.

'Being payroll' runs through my core. I feel like I am being paid to do my favourite hobby daily, and I cannot imagine ever having any other kind of job or career.

In my 37 years doing payroll, I have been fortunate enough to be recognised in many ways amongst the profession. I am part of 'Reward 300', and been part of an employer trailblazer group that has worked on setting up payroll apprenticeships. I have spent the last twenty years or so in payroll management.

Payroll means everything to me. I love what I do and honestly believe I have the best job in the world. It is always so rewarding, and no two days are the same. I love the teamwork and the challenges we face daily. The sometimes-complex legislation and ever-changing rules and regulations are what motivate and drive me. I love looking for ways to improve processes and maintain compliance.

I became a member of the CIPP as I realised from quite an early point in my career that being part of the Chartered Institute has many benefits, such as support and advice when needed and recognition for being part of the payroll profession. CIPP is a great asset to both myself and the company, especially if I have any questions or need anything confirmed regarding legislation. It is an easy and efficient way of getting answers to sometimes complicated scenarios. CIPP is always supportive.

Being a full member – 'MCIPP'– has helped raise my profile, as most businesses recognise that this is something that they require payroll professionals to have.

I had to apply to become MCIPP. All my details and experience were placed before a board who then granted this membership level based on my experience, knowledge, and essential criteria. The process for application was easy to understand, and the submission straight forward. The approval stage was quick and efficient, too.

The most helpful part of CIPP, in my opinion, is being able to get advice in a quick turnaround. The Advisory Service team are always quick to respond and either email or talk through the query with you. The details they provide are fantastic and clear.

I would highly recommend every person who works in payroll to become a member of CIPP. It gives so many benefits and raises your profile within the payroll profession.

I would describe what my CIPP membership means in three words:

- Essential
- Worthwhile
- Amazing ■

Are you interested in joining the BePayroll campaign?

The CIPP launched the BePayroll campaign in May 2019 with the vision of representing payroll professionals and raising the profile of the payroll profession.

We are always looking for more people to join the campaign and collaborate with us by sharing their experiences and achievements, as well as describing how the CIPP have helped further their life goals.

So if you are interested in taking part, contact us at **marketing@cipp.org.uk**, and share your story with the payroll world. Together we can bring the payroll profession to the forefront of the business world.

#BePayroll

BeKnowledgeable. BeDeveloped. BeRecognised. BeSupported. BeConnected.

Recruitment, retention, succession

Jerome Smail, business journalist, presents the views of several industry luminaries

Finding, retaining and developing colleagues in the payroll function can be challenging at the best of times but more than ever since the pandemic – particularly with increased remote working. So, what practical advice is there to assist and guide the professional?

To find out, I spoke to five luminaries in the field:

- **Nick Day ACIPP**, managing director of JGA Recruitment Group
- **Sam Johnson ACIPP**, marketing manager for The Portfolio Group
- **Liz Lay MSc FCIPPdip FHEA ACIPD**, CIPP chair
- **Maria Mason MCIPPdip**, UK payroll director, business services & outsourcing, BDO
- **Karen Young**, director of Hays Accountancy & Finance.

In many organisations, there will be a move towards using technologies and more customer self-service. How can you fast track that learning curve?

Nick Day: Post-covid, many organisations are undergoing rapid digital transformation to help them unleash improvements in productivity, talent management and flexibility. It is a steep learning curve for both employees and employers alike. The pandemic has accelerated and transformed how most people work, which has meant that working methods are being completely reimagined. It can be challenging for employees to keep up.

> ...recruitment is going through great change as organisations review their processes.

Organisations must invest in professional development both internally and externally to help them accommodate the demands that these steep learning curves provide. It is also equally crucial that solid communication and collaboration processes are developed alongside learning pathways, so employees feel supported along these rapid digital learning journeys.

Sam Johnson: If you are able to do so, temping can be a great way to gain experience across multiple platforms and new technologies. It also gives you exposure to different industry sectors, volumes and frequencies, too.

We would also recommend that payrollers are signed up to newsletters from different software providers as many now host their own webinars which can support their knowledge and learning of technological trends.

Liz Lay: Learning is motivational. Due to coronavirus, the learning curve has significantly increased over the last twelve months. Learning new technologies at speed has enabled the profession to continue to provide its service.

Linked to this, recruitment is going through great change as organisations review their processes. The need to take on more staff, whether through increased absence or growth, and unable to justify face-to-face interviews which require unnecessary travel, means interviews and assessments are being moved online and with the use of the technology available, creative solutions are being developed.

Maria Mason: The payroll landscape is constantly changing, as most providers and clients will testify to, having witnessed what's taken place over the past year. We are seeing an increased demand for

payroll professionals to be agile and adapt to these changes.

Change is typically difficult within payroll, as there is little time available between key processing tasks, which can prevent payroll staff from embracing positive change or taking the time to develop their own skillsets. To promote a culture of upskilling our staff, we have found it beneficial to make more time and options available for personal and technical development, along with promoting the benefits of why our teams should broaden their skillsets.

Karen Young: Although there are strong plans for automation uptake across the finance and payroll profession, implementation is not without its challenges. In our *What Workers Want* survey from 2019, we found almost two fifths of employers say that a lack of skills from their current staff is a barrier to the implementation of automation. Employers are also facing a shortage of the right skills to make the best use of automation technology, with both technical and soft skills being in short supply.

To make the most of digital transformation in the workplace,employers and employees alike must ensure they view training and development as lifelong learning. Employers should focus on building a culture suited to this approach, and support employees' development so they do not feel forced to upskill themselves in isolation and without proper guidance.

Employees must also take the initiative. Proactively speak with your manager to understand the direction your team is taking to then come up with a training plan together. This is not purely restricted to formal learning – don't forget the benefits of using online courses, attending free events and reading appropriate articles to broaden your knowledge and keep up to date with an ever-changing digital landscape.

...a failure to provide the right tools can have an immediate and damaging impact on morale.

Payroll departments thrive in a team environment. What tips do you have on creating the team environment without all being in the same physical space?

ND: The pandemic helped organisations to discover that payroll professionals can still deliver accurate payrolls remotely. They have also found that a thriving team environment does not necessarily require a physical office space. That is because cultures thrive within people.

Essential tips for ensuring a positive team culture are developed include providing every employee with the tools required to work remotely. It may seem obvious, but a failure to provide the right tools can have an immediate and damaging impact on morale. A happy employee can perform necessary tasks seamlessly from any location.

Establishing remote working expectations and transparent communication processes are also critical. Employees like to know what is expected of them, and regular review meetings can help ensure that people feel supported and on track.

To help forge strong team cultures, we have seen companies introduce events calendars that allow employees to meet regularly to build connections and relationships and reduce the feelings of isolation that can manifest when employees are working remotely. Some employers even offer buddy systems to provide employees with regular contact, which can help improve an employee's sense of belonging.

Ultimately, companies that provide connection opportunities across work, priorities, interests, and events are more likely to foster strong, thriving virtual cultures than those that do not.

SJ: We found as a business that maintaining regular online video meetings/touch points was core to creating a team vibe when we were working remotely – even if only for ten minutes combined with messaging on Teams, Whatsapp or other online platforms.

We also use email groups to share successes, ask questions and advice and so on, quickly and easily. We would always say, don't be afraid of the phone!

LL: Using technology to set up team chats and team meetings enables everyone in the team, whether they are working from home or in the office, to engage and contribute to discussions. All team members who are part of the chat group where it isn't a planned meeting can still see any questions being asked by another team member, which can trigger a discussion for the whole team. Teams will also plan events for social evenings online to stay engaged as a team, whether it is to celebrate a happy event, provide some moral support or just to have an out-of-office catch up.

MM: During lockdown, BDO's entire national UK payroll team had to switch to fully remote working, whilst successfully continuing to deliver our clients' payrolls accurately and on time. We have even been able to build our client base during this time, onboarding client payrolls as they look to BDO for holistic support across payroll, employment tax and other matters.

The switch to a fully remote working environment is the first time the team has had to work in this way, so we were extremely conscious of the impact this could have on the team.

As a result, we ensured from day one that a timetable was put in place of scheduled daily team meetings, utilising video calls, with all members of the team

to go through all of the team's work that day, to try and replicate how we worked in the office and more importantly, to ensure all members of the team were socially active with others in the team. On top of that, we've introduced more regular social activities, such as escape rooms, quizzes and bingo nights to encourage interaction.

KY: Once the pandemic subsides, most organisations are likely to be moving towards a hybrid working model which will see staff come to the office two or three times a week and work remotely two days from home.

Thinking about how you can create the right team environment for your payroll team in this instance is important. Early on, set expectations and make accountability clear to all staff so that both home and office-based employees can work together productively and know who is doing what. As part of this, you might run daily or weekly meetings with your entire team to start each day or week on the right foot, then share progress regularly on key projects with the entire team to maintain momentum, and think about the technology you can use to achieve this.

When you are managing a hybrid team, it can be easy for unhelpful or negative attitudes about the 'other' group to slip in. You won't want your office-based staff, for instance, to think that remote team members don't work as hard or have an easier working experience. So, encourage office-based and remote workers to proactively build on their working relationships, and facilitate this as much as possible. There should be a culture of support and respect in your hybrid team.

Will less office working result in more dependency on external training providers to support professional development?

ND: E-learning technologies are advancing rapidly. In parallel, face-to-face virtual training can now be conducted from any global location. Therefore, I am not convinced that less time spent in an office will result in a greater dependency on external training providers, especially for those companies who continue to invest heavily in internal learning development.

However, as payroll recruiters, we have seen a stark rise in companies recruiting talent based on soft skills. Employers are increasingly seeking to recruit talent who demonstrate soft skills in leadership, creative thinking, problem-solving, collaboration and adaptability. The post-covid work world is volatile and ever-changing, so these transferable skills are in high demand. Subsequently, I think external training providers will see an increase in demand from employers wishing to develop their employees' soft skills.

> ***...training and development is the key to developing strong payroll professionals and a way to attract and retain good staff.***

SJ: Yes, we believe so. Without being able to bounce off a physical team, you do start to rely on alternative resources and self-learning for ease. Unfortunately, it is more intrusive contacting someone when remote as you are unable to gauge what they are doing. That being said, tools such as Teams and other message platforms do help to connect people and this will remain vital to transpose training into practice.

LL: External training providers have been developing how training is being delivered and the type of training being provided.

Adapting what used to be full one-day face-to-face courses for online learning is providing greater flexibility for organisations and attendees. Short or interactive sessions keep attendees engaged and focused as well as being cost effective. That said, with increased use in technologies, organisations are also introducing their own innovative ways of delivering online learning.

There will always be a need for external providers; this may increase for some organisations whereas others will use it to complement their own learning and development portfolio.

MM: I have always believed that ongoing training and development is the key to developing strong payroll professionals and a way to attract and retain good staff. This has been further highlighted by staff working remotely, resulting in us having to adapt how we develop our team moving forward, including utilising external reputable and recognised bodies, such as the CIPP.

We want to deliver specific payroll training programs to our team, to ensure they have the relevant skillsets to accommodate our clients' requirements.

KY: I think for professionals in payroll at the start of their careers, being in the office for all or most of the week is still going to be essential to support learning and progression which ultimately is more beneficial in person.

However, many employers have been proactive in adapting to lockdown and social distancing requirements by creating virtual internships, hosting online inductions for new starters, and turning previously in-person training schemes into fully digital ones.

There are many benefits of conducting virtual training. Such as the flexibility it offers, cost savings, knowledge retention from shorter training modules, increased convenience in terms of people's schedules, not to mention the environmental benefits from the reduction in travel. ■

An uncomfortable period

Perimenopause needs to become a hot topic for employers now or they could find themselves facing a retention problem, says **Lesley Salem, founder** of **Over The Bloody Moon**

Time and again studies have shown that diverse business teams with a good balance of gender thrive the most. In particular, there is the value that older women bring to the workplace. Often by the time women reach their forties and fifties, they are experiencing a career high and applying their 'superpowers' to the work they do: organisation, problem solving, creativity and collaboration. And, according to the Office of National Statistics, this demographic is experiencing the fastest growth in UK employment.

While this is great news for organisations, it is also a double-edged sword. For the first time in the history of women in the labour force, there will be a significant number managing a life-changing transition whilst in the workplace. This transition is perimenopause – a period of fluctuating hormone levels that starts several years before menopause (which, itself, is actually just one day). Some women experience manageable symptoms, but too many experience a severe impact on their physical, emotional and cognitive functions.

Of course, every woman goes through perimenopause and has done so since the beginning of time. Today's perimenopause experience, however, is unlike that of any other generation. Not so long ago, women approaching their forties and fifties were either slowing down or settling into their roles as grandparents. These days, women are working longer, having children later and simply 'doing more.'

With the pandemic heightening stress levels, a lot of women in employment and going through perimenopause are facing a particular kind of burnout, and leaving their jobs is a very real possibility. For many it is negatively impacting the work they do; according to the Chartered Institute of Personnel and Development three in five women feel perimenopause has a negative impact at work.

It's been widely quoted that one in five women are leaving their jobs because of perimenopause, but we believe that, worryingly, this number is much higher. We're often not told the underlying reasons of why they leave, so they fall off the radar.

The issue is made worse by the fact that many women don't connect what is happening to them with menopause and feel that they are becoming 'invisible' or 'mad'. Whilst women have heard of the term menopause, they don't understand the different phases and how mental symptoms such as poor sleep, anxiety and brain fog, often begin years before hot flushes. In fact, 46% of women have never even heard of the word perimenopause, and three in five women in the UK feel totally unprepared for the symptoms of perimenopause (see Avon's *Too little information* – http://bit.ly/3hbce62).

> ***...employers may struggle to hold onto their older female talent.***

Sadly, a lack of GP (general practitioner) education in menopause also means that a lack of support and misdiagnosis is a common story (*The invisibility report* – https://bit.ly/3aCpY8E).

For many women, particularly those who are in senior roles, their struggle with perimenopause is off the radar – either suffering in silence or leaving their jobs.

Without policies and practices in place to support women going through this stage, employers may struggle to hold onto their older female talent. Their absence would leave a considerable gap for organisations in terms of knowledge, experience and leadership, not to mention the cost of recruiting or potential legal fees from discrimination complaints.

This is why there is a pressing need for employers to take the lead and start conversations. They can play a more active role by putting in place initiatives and networks where women can gain awareness and go to discuss their experiences during work time. Employers should also consider running education workshops for line managers and colleagues.

We need to step away from the idea that women going through perimenopause should know what is happening to them and seek out the 'right' information themselves. By taking these steps, employers will not only help cultivate a more positive menopause culture and actively help reduce the silent suffering that is taking place, but they will see significant benefits and avoid the potential loss of valuable team members.

In conclusion, there is a distinct lack of awareness of perimenopause and how debilitating it can be for many women. This lack of education is both among the women going through it and in society as a whole. In addition, many women feel stigmatised by menopause, preferring to ignore tell-tale signs until it's too late. If companies take leadership by educating and supporting their staff, the taboo of menopause is removed and employers gain the advantage of keeping valuable and experienced women in senior roles at this stage of life. ■

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Correcting overpayments

Lora Murphy ACIPP, CIPP policy and research officer, discusses the causes and what can be done to prevent the incidence of overpayments

In my previous article in this series – 'Preventing overpayments', in the May edition of *Professional* magazine, I provided some tips that could potentially prevent overpayments occurring, which all payroll professionals are aware can be complex and troublesome to rectify. Unfortunately, there will always be scenarios in which overpayments present themselves, so it is crucial to identify the key considerations when correcting overpayments to ensure that employers and payroll teams are acting in both a compliant and an ethical manner.

The legal stance

Section 14 of the Employment Rights Act 1996 (http://ow.ly/Xzvz30rG8oH) provides that a deduction made from a worker's wages for the purpose of reimbursing the employer for either an overpayment of wages or an overpayment in respect of expenses incurred by the worker in carrying out the employment made (for any reason) by the employer to the worker, is not classed as an unauthorised deduction. Guidance on Gov.uk (see http://ow.ly/1cNx30rG8HE) confirms this: "Your employer is not allowed to make deductions unless there's been an earlier overpayment of wages or expenses."

This means that an employer is entitled to deduct money from a worker's future wages until it has recouped the amount of the overpayment. It is, however, good practice to stipulate the process relating to overpayments within contracts of employment so that employees know where they stand. How this is structured and worded needs to be carefully considered to ensure that the employer protects themselves. This will also aid financial awareness, which is a prominent topic at present, enhanced by the outbreak of coronavirus. It would be advisable to write to the employee to advise them that an overpayment has been made, and to confirm the amounts of money that will be reclaimed from them, and when they will be taken.

Clear communication channels could potentially prevent any future legal action from the employee, and a recovery agreement written up and signed by both parties would be clear evidence that the employer has been open and transparent with the employee.

> ...good practice to stipulate the process relating to overpayments....

Overpayments to current employees

Where it has been established that an overpayment has been made to an employee who is still included on payroll, businesses have two main options:

- request that the employee pays off the amount in full, in one lump sum, or
- set up a repayment plan so that the employee can pay back the overpayment figure in smaller instalments until the figure has been repaid in its entirety.

Prior to establishing how the reclaim of the repayment will be actioned, the employer should advise the relevant employee as soon as an overpayment is identified. Ordinarily, it will be the task of the payroll department to do this, but in more sensitive situations this activity may be passed to the human resource (HR) team. The more detail that can be provided to the employee the better, as this shows that there is a clear focus on communication, ensuring that the organisation has a smooth, seamless overpayments process.

Both repayment options should be explained (i.e. payment as a lump sum or payment in smaller instalments) and a discussion held around the affordability of each. Ideally, a repayment method should be agreed and put into writing, with both parties signing this.

The payroll team can then action through payroll software the collection of the overpayment using whichever method has been agreed. Where a repayment plan cannot be agreed, the advice of ACAS (Arbitration, Conciliation and Advisory Service) (http://ow.ly/4XeC30rGSCL) maintains that employers must not simply deduct money from the wages of workers but should contact ACAS to discuss options.

Overpayments to leavers

It is widely accepted that a common cause of overpayments is when employees leave the employment. Indeed, it is not unheard of for an individual to be left on the payroll system and to continue being paid despite the fact that they have left. Similarly, they may have overtaken annual leave or received training with their employer for which they need to repay the associated amounts.

If a leaver's final salary payment has not yet been issued, the repayment figure could be collected from that. If, however, no further payment is due, the company will need to contact the former employee and discuss the fact that an overpayment has been made. Individuals in this situation could potentially refuse to repay any money, at which point the employer may be forced to consider legal action.

Correcting payroll software

A mistake relating to an employee's pay or deductions that is highlighted in the current tax year can be corrected by updating the year-to-date (YTD) figures in the next regular

full payment submission (FPS) for the employee.

The YTD figures can also be amended by sending an extra FPS prior to the date that the next regular FPS is due. The following steps need to be taken:

- update 'This pay period' figures with the difference between the original, incorrect amount and the correct figure
- correct the YTD figures
- record the same payment date as in the original FPS
- record the same pay frequency as in the original FPS
- include 'H – Correction to earlier submission' as the reason in the 'Late reporting reason' field.

Where an overpayment has been made to an employee in the current tax year, in a previous pay period, every attempt should be made to roll back the system to the period when the overpayment occurred, in order to adjust the pay accordingly. This will result in subsequent adjustments in following pay periods, ensuring that the net figure to be repaid by the employee is correct, and the right liabilities applied.

Where an overpayment is made in error and the individual in receipt of that money is still included on the payroll, there is a common misconception that the money has to be paid back in full by the employee prior to adjustments being made to the payroll. As long as there is a clear overpayment process in place, the relevant corrections to payroll software can be made in relation to that overpayment.

...agree (where possible) on a secure repayment plan...

If the overpayment has been made to the employee in a previous tax year, then for tax year:

- 2020/21 and after, a FPS will need to be submitted
- 2018/19 or 2019/20, either a FPS or an earlier year update (EYU) can be submitted
- 2017/18 or earlier, an EYU must be submitted.

Note that the option to send an EYU was removed for tax year 2020/21 and subsequent tax years. HM Revenue & Customs' Basic PAYE Tools (BPT) has been updated to reflect this change, as confirmed in the February edition of the *Employer Bulletin* (http://ow.ly/7YDQ30rG8H2).

Conclusion

It is apparent that resolution of overpayments is not as straightforward as it may appear. It is not as simple as just deducting money from current staff, or requesting repayment from former employees, as communication plays a fundamental role when overpayments occur.

The CIPP recommends that employers ensure that contracts of employment include clear details pertaining to the process surrounding overpayments. We also encourage employers to liaise with those who have been overpaid, and to agree (where possible) on a secure repayment plan, which both parties should sign.

This will allow the payroll department to adjust payroll software accordingly, the business will receive the money that it is owed back, and there will be a substantially lowered chance of any legal action being taken by the impacted employee in the future. ■

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Emergency vehicles benefits reporting

Peter Minchinton, employment taxes senior manager for **PSTAX,** reminds readers of the changes and some action that needs to be taken before the P11D returns are submitted in July

Readers may recall our article on this topic published in the March 2020 issue of *Professional* magazine. In that article we looked at the changes coming into place from April 2020 following the end of the transitional rules which had been introduced to delay the changes in April 2017.

Prior to April 2020, the 'use of asset' legislation allowed employees to obtain a reduction of the benefit based on the business usage of the 'asset', namely the vehicle fitted with blue lights.

This meant they were only taxed on the private use.

As of April 2020, the transitional rules ceased, and the April 2017 changes finally took effect. The new rules eliminated the opportunity for any deduction in respect of the business element of the benefit, meaning that the taxable amounts would increase and, indeed, increase significantly where officers used their cars primarily for business purposes. Although the new rules allowed a deduction for 'unavailable days', the guidance on how this should be interpreted appeared to show that such a deduction would only rarely apply in practice.

In our aforementioned article, we listed examples of the increased benefit in kind based on actual vehicles that had been provided by one of our clients. There were some substantial increases, as illustrated in the Example.

Example

The car is purchased on 31 March 2019 for £30,000. Running costs, including servicing, maintenance and insurance are £4,000 per year. Fuel is not included in the calculation as only business mileage is claimed for.

The officer undertakes 25,000 miles during the year, consisting of:

- business mileage of 16,000
- ordinary commuting mileage of 4,000
- 'freedom of movement' (private use when on call) of 1,000, and
- other private mileage of 4,000.

The officer pays £500 a year towards private use.

The taxable benefit for tax year 2020/21 is calculated as:

£30,000 × 20% = £6,000, plus £4,000, minus £500 = £9,500.

The transitional rules allowed the business element (i.e. 16,000 ÷ 25,000) to be deducted, giving a net taxable benefit of £3,420 for tax year 2019/20.

However, with the abolition of the transitional rules from April 2020, the business element can no longer be deducted, so the benefit for tax year 2020/21 increases by £6,080 compared to that for tax year 2019/20.

Readers should note that in the Example the cost of fuel was excluded in the benefit calculation because the officer only claimed for business miles. HM Revenue & Customs accepts that if only business miles are paid for, or the officer repays any private element, the fuel costs can be ignored. However, if there is a claim for any private mileage the whole cost of the fuel must be included in the calculation. In the Example, this would increase the amount of the benefit from £9,500 to £13,920.

If any private fuel has been paid for since 5 April 2020 there is an opportunity to redress this. Where an officer makes good the cost of all fuel provided for private use by 6 July following the tax year in which the private fuel is provided, then the whole of the fuel costs can be ignored when calculating the benefit.

...increase significantly where officers used their cars primarily for business purposes.

Unavailable days

In our previous article we set out why we considered that the 'unavailable days' rules are unlikely to apply to any great extent to cars provided in the emergency services. This is because the legislation makes clear that, other than in circumstances where the car is simply unable to be used, an unavailable day will be one where the car has been used for business purposes but not for private purposes.

On a 'normal' working day an officer will use the car to commute to work so, as this is a private journey, for such days the car will be classed as 'available' (and not 'unavailable'). Similarly, on days when the car is not used at all, the lack of any business use will prevent the day from

being 'unavailable'.

However, if officers claim that there have been unavailable days during the 2020/21 tax year, full records will need to be provided to justify any reduction of the benefit.

...the OpRA legislation cannot be ignored when reporting P11D benefits, and HMRC is likely to be checking this ...

Emergency vehicle exemption

A statutory exemption is set out at section 248E of the Income Tax (Earnings and Pensions) Act 2003. It has been in place since 2004, and the rules have been relaxed to include all ordinary commuting, instead of just 'on call' commuting. In addition to commuting, the legislation permits a certain amount of 'freedom of movement' mileage. This relates to private mileage undertaken 'locally' when officers are on 24-hour call.

With the increase in taxation for 'use of asset' cars, officers might be more tempted to agree to vehicle use in accordance with the emergency vehicle exemption, despite the restrictions to use that this would create. The move to an exempt car would free up a substantial amount of cash for officers to consider having a second car or hiring one for private journeys when needed.

Now that the transitional rules have ended, there is a case for employers in the sector to consider introducing an option for section-248A exempt use. Otherwise, officers in blue light cars may question why they are made to pay tax on undertaking commuting and/or freedom of movement journeys, which are permitted under the exemption. In some cases, officers may only become aware of the additional tax costs arising on the use of their blue-light cars after the P11D returns have been produced.

The amendment to section 248A, so that ordinary commuting is now permitted within the exemption, should be viewed as a way of encouraging its widest application. As significant 'private' mileage is now covered by the exemption, it is clearly a sensible option that emergency services should consider implementing.

Cash or allowance

In addition to 'use of asset' and exempt cars, some emergency services have adopted a third option whereby officers can take a cash sum and provide their own car to which the emergency service will fit 'blues and twos' and radios. Doing so may, however, provide an unwelcome surprise for those officers who have opted for use of a vehicle meeting the conditions of the section-248A exemption.

Where a cash alternative is available, the optional remuneration arrangements (OpRA) must be considered. The OpRA rules require a comparison to be made between the taxable benefit of the car provided and the amount of the cash alternative.

Therefore, as the section-248A benefit is nil, officers would be taxed on the amount of the cash option, even though they are not receiving it. Employers need to be aware that the OpRA legislation cannot be ignored when reporting P11D benefits, and HMRC is likely to be checking this point during forthcoming employer compliance reviews.

If the cash option is high enough it might even adversely affect officers opting for a provided vehicle with unrestricted use and paying tax under the 'use of asset' rules. ■

Actions to consider?

- ***Private fuel*** – review what fuel has been reimbursed and offer the officers the opportunity to repay any private fuel to avoid the higher tax charge.
- ***Unavailable days*** – ensure that there are sufficient records to justify a reduction in the benefit for these.
- ***Benefit reporting*** – ensure that the changes to legislation and increased tax charges have been brought to the attention of all officers affected, prior to issuing P11D returns.
- ***Emergency vehicle exemption*** – revise and update use of vehicle policies and procedures so that officers have an option to agree restricted vehicle use meeting the conditions of S248A, the emergency vehicle exemption.
- ***Cash option*** – consider withdrawing any cash/allowance options based on operational requirements and moving to a provided car only approach, with officers still able to choose between restricted or unrestricted use.

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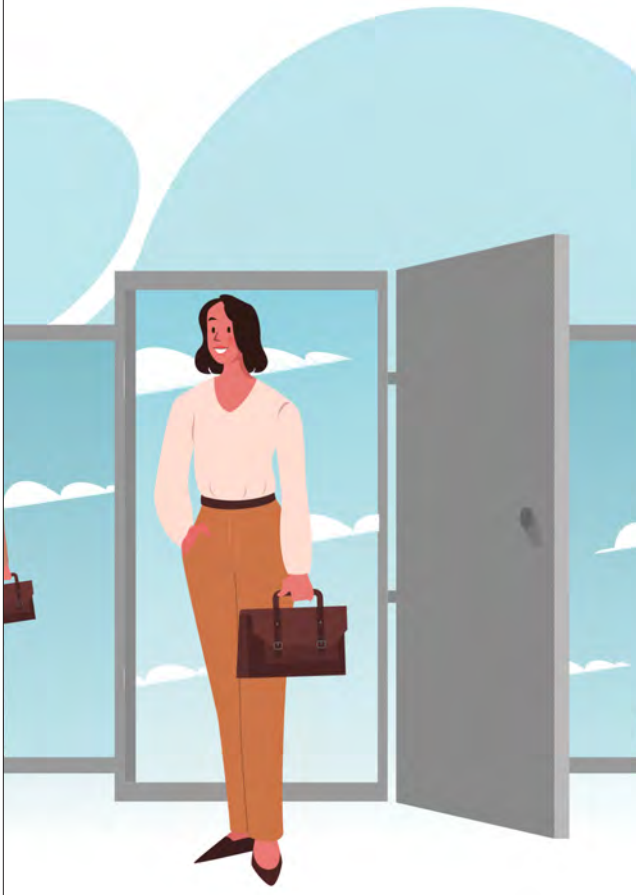

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Reporting benefits and expenses

The CIPP policy and research team provide commentary, information and guidance on this important function and duty of employers

Payroll professionals will always admit that although the introduction of reporting pay as you earn (PAYE) data electronically via real time information has made tax year-end less laborious than it once was, the event still brings with it a variety of tasks that need to be completed, both accurately and on time, to tight deadlines.

Ahead of the 6 July deadline for reporting benefits provided in tax year 2020/21, it felt appropriate to provide a high-level overview of the key aspects of P11D returns and to explore different methods that can be used to report taxable benefits.

P11D returns

One of the biggest most significant activities following year-end is the production and submission of P11D returns. A separate P11D needs to be completed for each employee or director who has been provided with a benefit, or benefits in kind, so that they can be reported to HM Revenue & Customs (HMRC). Benefits in kind are items or services that employees receive from their employer in addition to their salary and are commonly referred to as 'perks' (from the word perquisites). Some examples include private healthcare, company cars and interest-free or low-interest loans.

Any expenses payments, benefits or facilities provided to members of the director's or employee's family or household must also be included in the P11D return.

A P11D return is not required for any individual who has not received taxable expenses or benefits within the relevant tax year. Additionally, if an employer has opted to process certain expenses and benefits through payroll software, there is no requirement to include them in a P11D return. (Note that not all benefits can be payrolled, and this is discussed later.)

All P11D returns are required to show the employer's PAYE reference, along with personal details of the employee, including: name; National Insurance number; date of birth (if known); and gender.

Information and cash equivalent values relating to all expenses and benefits provided in the tax year are to be reported. The data reported are considered when HMRC generates an employee's tax code and reflected in coding notices sent to both employee and employer.

The deadline for submitting P11D returns to HMRC is 6 July following the tax year being reported. Employees must be given a copy of the information their employer is supplying to HMRC, by the same date.

An employer failing to make a P11D return within the appropriate time limit may incur a penalty not exceeding £300, with a further penalty not exceeding £60 a day if the failure continues. If the employer makes an incorrect P11D return a maximum penalty of £3,000 per return can be imposed.

It is mandatory for employers to retain a record of all expenses and benefits provided to employees. This can include, but is not limited to, records of payments that an employee makes towards an expense or benefit, details

...considered when HMRC generates an employee's tax code and reflected in coding notices sent to both employee and employer.

of the expenses or benefits provided, and supporting information relating to the calculation of the figures included in the P11D returns. These records must be kept for a minimum of three years following the end of the tax year to which they relate and should evidence the fact that P11D reporting has been completed correctly.

P11D(b) return

Employers must also give HMRC additional information via the P11D(b) return by 6 July (the same due date as for P11D returns). Amongst other things, this states the total amount of class 1A National Insurance contributions (NICs) that the employer owes. A P11D(b) return must be submitted even if one or more benefits in kind are being payrolled.

Payment for the class 1A NICs due on expenses and benefits provided to employees must be made to HMRC by 19 July. If payment is made using cheque, or 22 July, if it is being submitted electronically.

Penalties can be imposed for late submission of the return and/or for late payment of the due amount of class 1A NICs.

PAYE settlement agreements

A PAYE settlement agreement (PSA) gives employers the option of making one annual payment which relates to the total tax and NICs due on expenses or benefits provided to employees that are deemed as being: minor, irregular, impracticable.

Where a PSA is in place for items, there is no requirement to include them in P11D returns, to process via payroll to calculate tax and class 1 NICs, or to pay class 1A NICs on them at tax year end. Instead, class 1B NICs are payable as part of the PSA.

In order to obtain a PSA, employers must write to HMRC Business Tax and Customs outlining the expenses and benefits that it will cover. Once an agreement has been made on what can be included, HMRC will send the employer two draft copies of form P626, which should both be signed and returned. If the request is authorised, HMRC will send back the form, which becomes the agreement.

Form PSA1 (http://ow.ly/KNOq30rGfUX) can be used to calculate the overall amount that the employer is required to pay. If this is not done, HMRC will calculate the amount and the employer will be charged more. The completed form should be submitted to HMRC as soon as possible following the end of the tax year.

> ***...payrolling benefits is ongoing, so employers only need to notify HMRC if they wish to deregister and cease payrolling benefits.***

HMRC will advise how much tax and class1B NICs are due prior to 19 October following the relevant tax year so that timely payment of amounts due can be made by this date or 22 October if paying electronically.

Application for a PSA must be made by 5 July following the first tax year to which the PSA applies. The PSA will remain in place until either the employer or HMRC cancels it, or the employer needs to change it. There is no requirement to renew the PSA annually.

Payrolling of benefits

A practice growing in popularity is that of processing benefits through payroll. This means that the value of employee benefits are reported in real time, and tax and class 1A NICs applied to them at the same time as they are received. Payrolling may be something that employers may wish to consider to assist their employees in navigating their finances in the current economic climate.

If a benefit is processed via payroll, this removes the requirement for a P11D return for that particular benefit for the specific employee. The majority of benefits can be payrolled, with the exceptions of employer-provided living accommodation, and interest-free and low-interest (beneficial) loans. Employers providing these benefits must ensure that they are reported via the P11D return, regardless of whether other benefits are being payrolled for the same employee.

In order to payroll benefits, employers must register with HMRC by 5 April preceding the tax year for which they wish to begin payrolling benefits. If this deadline is missed, the benefits cannot be payrolled until the following tax year. HMRC used to allow certain employers to 'informally payroll benefits' where they missed the deadline, but from tax year 2021/22 this practice is not permitted.

Registration for payrolling benefits is ongoing, so employers only need to notify HMRC if they wish to deregister and cease payrolling benefits. This must be actioned prior to the start of the relevant tax year using the online service (http://ow.ly/EmOC30rGfSK).

Once an employer has registered to payroll benefits, they must provide employees with letters confirming that they are payrolling and what the implications are for them. In addition to this, before 1 June following the end of the relevant tax year, the following information must be provided to employees:

- details of the benefits that have been payrolled
- the cash equivalent of each payrolled benefit
- the relevant amount that has been payrolled under optional remuneration arrangements
- details of the benefits that have not been payrolled, if applicable.

The information can be included within employee payslips or detailed in a separate note or statement.

Methods of reporting

There are a variety of methods that employers use to report and pay taxable benefits and expenses provided to employees.

What is apparent, is that regardless of the methods used there are stringent deadlines for employers to observe, and a very clear focus on ensuring accurate information is provided. It is also important for businesses to observe any associated record-keeping requirements.

A recent Quick Poll, produced by the CIPP's policy and research team suggested that although submitting P11D returns is still the most popular method to report taxable benefits (49%), employers are increasingly opting to payroll benefits (20%), with plenty choosing to combine the use of both methods (31%). ■

Widening powers of entry

Danyal Enver, associate, and **Anne-Marie Winton, partner**, at **Arc Pensions Law LLP**, discuss new extended powers available soon to the Regulator

The Pensions Regulator (the 'Regulator') could have the power, under current UK pensions legislation, to enter the private homes of employees who are working from home. The current law, which has been in force since 2005, could allow the Regulator to enter some premises at any reasonable time, to gather information during some limited statutory investigations. Though these are currently limited, the Regulator will soon have its inspection and information gathering powers extended by the Pensions Schemes Act 2021 ('the Act') which is due to come into force in autumn this year.

After the switch to home working in 2020 as a result of the pandemic, many employers are considering permanent shifts to home working. We have assessed what this means for the Regulator's powers to enter the homes of employees.

The Regulator already has the power to enter premises where there are reasonable grounds to believe that they house electronic or physical documents, which could further an investigation into non-compliance with automatic enrolment obligations. The latter require every employer to provide a pension to all eligible employees unless they opt out. There are also other grounds for Regulator inspection that relate to the administration of a pension scheme that should be of concern for scheme administrators and trustee companies.

Homes are exempted from inspection, but this exemption only applies where the dwelling is not being used by the occupier for the purposes of a trade or business. This could allow employees of employers, scheme administrators and trustee companies, as well as individual trustees, to be within the scope of the power if they are working from home and taking documents or a work laptop home to do so.

The Regulator was previously unlikely to have needed to inspect the homes of employees as very few people worked from home with any regularity. The Regulator's figures reveal that it has only inspected six premises using these powers so far. However, the world of work has changed during the pandemic.

Home working became the norm for many employers, administrators and trustees. Many people are still working from home full-time and taking documents and computers home to do so. Although this continued use of homes for trade or business is enforced by government regulations, it doesn't change the fact that, were the Regulator to need to use its powers to inspect, it may need to do so in people's homes because that is where some files are now located.

The Act will widen the powers of the Regulator, and one of those is the power to enter premises. The likelihood of inspection of premises being necessary to enforce automatic enrolment compliance is very low for most employers, trustee companies or pension scheme administrators. However, the likelihood of inspection for investigations relating to 'moral hazard' powers is a lot higher and that is what the Act will widen: the Regulator's inspection power.

The Regulator's moral hazard powers enable it to require third parties to pay money into a UK defined benefits scheme following a period of investigation. These are key anti-avoidance powers which the Regulator can use to target any person who or company which is connected and/or associated with the scheme employer(s). It can require such an entity to comply with a contribution notice (which is a notice requiring money to be paid into the pension scheme where the Regulator reasonably determines that a scheme has been put at risk by any corporate activity in the past six years).

For employees of defined benefit scheme employers and those involved with the trusteeship and/or administration of defined benefit pension schemes, this widening of the power to inspect in relation to moral hazard powers could mean that their homes are within the scope of the power.

Employers, scheme administrators and trustee companies might want to review the policies that they have in place which govern employees taking documents and work computers home. If new, more robust policies are required, they ought to be put in place.

It may also be advisable to have systems which record the location of scheme documents and work laptops so that, in the event the Regulator requires inspection of such information, the request can be complied with, negating any potential need for a home visit.

Employers, scheme administrators and trustee companies may also want to appraise their employees of these widened powers and the importance of complying with Regulator requests for information. That way, their employees will be aware of the potential right the Regulator has to enter their home to gather information, and the fact that it could be a criminal offence if they were to intentionally destroy or conceal relevant documents. ■

...appraise their employees of these widened powers and the importance of complying with Regulator requests...

Employer Bulletin published

THE APRIL 2021 issue of the *Employer Bulletin*, which can be found here: https://bit.ly/3hoqf2q, contains extensive important content relevant to employers and payroll, including: covid-19 updates and information; tax policies and consultations; PAYE; tax updates; and changes to guidance.

● *Paying HMRC* – The Bulletin confirms requirements when paying HM Revenue & Customs (HMRC). If paying fourteen days or more before/after the 22nd of the month, a four-digit suffix is to be added to the thirteen-digit Accounts Office reference number to indicate to HMRC the period (year/month) to which the payment relates, e.g. '21' for tax year 2020/21, '22' for 2021/22, followed by '01'for month 1, '02' for month 2, and so on; thus, '2203' indicates month 3 in tax year 2021/22.

● *NICs category 'M'* – From April 2021, HMRC started using generic notification service messages to contact employers if their data reported via real time information (RTI) suggests an error has occurred in using class 1 NICs category 'M' for an employee. The category 'M' grants a reduction to employer NICs for employees under the age of 21.

New rules for treatment of PENP

CHANGES TO the rules for calculating income tax and National Insurance contributions (NICs) on post-employment notice pay (PENP), came into effect on 6 April 2021 (https://bit.ly/33Bv1S7). The key changes include an alternative calculation for PENP for employees who have a pay period defined in months, but a contractual notice period defined in weeks or days, or where the post-employment notice period is not a whole number of months. The measure ensures that all employees' PENP is calculated consistently on the termination of their employment.

A further change aligns the tax treatment of PENP for individuals who are non-resident in the year of termination of their UK employment with the treatment for all UK residents. This measure ensures that non-residents are charged to tax and NICs on PENP to the extent that they would have worked in the UK during their notice period. The change only affects individuals who physically performed the duties of their employment in the UK.

And briefly...

● *CJRS claim errors* – Indicating erroneous claims may have been made under the coronavirus job retention scheme (CJRS), HMRC has sent letters to 10,000 employers advising them to check the accuracy of their claims.

● *Right to work checks* – Although the Home Office had announced that employers had to resume conducting right to work checks in person from 17 May (https://bit.ly/2JKw6xc), this has been postponed to 21 June.

● *PSA1 form* – A new version of the online form 'PAYE Settlement Agreement calculation Post 2020-21 (England and Northern Ireland)' can be found here: https://bit.ly/3hksOCx.

Diary dates

Last day for submitting a real time information employer payment summary to apply to tax month 2 Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by non-electronic method.	19 June
Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by electronic method.	22 June
Last day of tax month 3	5 July
First day of tax month 4	6 July

Reporting certain payments to pension recipients

THE RECENTLY laid Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021 (https://bit.ly/2RNpNzW) will come into force on 6 April 2022. The Regulations require certain payments made, in respect of a member of a registered pension scheme under Part 4 of the Finance Act 2004, following the death of that person, to be reported via real time information where they are not taxable as pay as you earn (PAYE) pension income. Currently, such non-taxable payments do not fall within the scope of the RTI reporting requirements.

NMW and sleep-in shifts guidance

THE ONLINE guidance, *Calculating the minimum wage*, published by the Department of Business, Energy and Industrial Strategy, has been updated. The section, 'Sleep-in' shifts (https://bit.ly/3ohIFDC), has been revised to include commentary about entitlement following the recent Supreme Court judgment in the 'Mencap' case (https://bit.ly/3bDkQkD).

The judgment clarified that sleep-in workers are only working and eligible for the national minimum wage (NMW) when they are 'awake for the purposes of working'. Such workers are not entitled to the NMW when they are permitted to sleep.

The position, however, is different where workers are expected to perform activities for all or most of a shift and are only permitted to sleep between tasks where possible (such as napping when not busy). In such cases, it is likely that at least the NMW must be paid for the whole of the shift, including for any time spent asleep, on the basis that the worker is in effect working all of that time.

For time work and salaried hours work, the National Minimum Wage Regulations expressly require that, in order for the time spent asleep not to be eligible for NMW purposes, the employer must provide suitable sleeping facilities. If suitable sleeping facilities are not provided, the NMW must be paid for the entire shift.

Each case may be different depending on individual circumstances, including what the contract provides and what is happening in practice.

The new guidance provides five examples to help illustrate how the principles outlined by the Supreme Court might apply to particular scenarios.

NEW

P11D course collection

Our brand new P11Ds, expenses and benefits course collection contains everything you need to know about this annual process.

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You're on your own

Ian Neale, director at **Aries Insight**, foresees rebalancing of risks for retirees

How would you feel if someone said to you "You're on your own"? Uncomfortable? Even if you felt 'okay, no problem', I dare say doubts might creep in later.

For employees retiring in the private sector, increasingly that's the reality today. Some have a deferred final salary-type pension from a past employment, but many have just a money purchase pot; and what to do with it is up to them.

If you work in the private sector today, the chances are you've been auto-enrolled into a defined contribution (DC), also known as money purchase, pension scheme; either a master trust, a group personal pension (GPP), or a trust-based scheme run by your employer. Your options on retirement will depend on the scheme rules, but broadly speaking there are four ways to convert this pot into income.

The first is to use the money to buy an annuity; and before 'pension freedoms' exploded onto the scene in 2015 most people had to do this. It wasn't and still isn't popular, mainly because your money dies with you, unless you buy a joint-life annuity. Though they provide a guaranteed income for the rest of your life – which is what most retirees say they want – annuities are often regarded as poor value for money.

Pension freedoms created alternatives: partial or full encashment, or drawdown. A cash payment from a pension scheme is called an uncrystallised pension funds lump sum (UFPLS), of which 25% is tax-free and the rest taxable at your marginal rate – which because HM Revenue & Customs insists on 'week/month 1' treatment means 40% or 45% in most cases. Great news for HM Treasury; but not so great for the taxpayer who might otherwise have been only paying 20% tax on income for the year.

At this point it's worth mentioning the helpful role payroll or human resources can play in giving factual information about retirement options, because typically in a trust-based DC scheme an UFPLS is the only alternative to annuitisation; and some schemes insist on full encashment. What to do with the cash is up to the retiree, of course.

> ...helpful role payroll or human resources can play in giving factual information...

An employer can do a bit more to help, though; including, arranging to pay for some financial advice (which I wrote about in the April issue; page 37). Here I want to say more about drawdown, and then look ahead to better solutions.

While few trust-based DC schemes are willing to offer drawdown, most master trusts are, or soon will be (and so are GPP providers). Therefore, if neither an annuity nor an UFPLS is attractive, the member will have to transfer out to a scheme of their choice. Then comes the hardest decision of all: how much income to take?

The reality at the moment is that most dodge this decision initially; they take the 25% tax-free cash to which they're entitled and leave the rest in the pot. Sooner or later though they will have to start drawing income. To avoid running out of money in later life, how much is 'safe' to draw is the $64,000 question.

Received wisdom for many years, derived from long experience in the USA, has been 4% per year, increasing in line with inflation; but that's not sustainable in a world of enduring ultra-low interest rates, gilt yields and quantitative easing. Data from the Financial Conduct Authority shows that six in ten of those in drawdown with pension pots over £100,000 are still drawing 4% or more per year. Unless they stay heavily invested in equities, there is a significant chance of exhausting the pot before death.

To avoid that unpalatable prospect, income drawdown might have to be slashed by a quarter. The value – and, of course, cost – of expert financial advice becomes clearer; and so does the impact of fees and charges in general, which can easily amount to 2% pa. The compound effect of this in diminishing the pot over several decades of retirement is quite breathtaking.

So, drawdown is, in lots of ways, risky. In fact, as a recent report by the Institute and Faculty of Actuaries (IFoA) makes clear, over recent decades there has been a huge transfer of risk – particularly longevity risk – from institutions to individuals now confronted by the need to manage risks they did not have to worry about previously.

The IFoA is pushing for a rebalancing of risks, recommending government action not only to make decumulation pathways (i.e. cash/drawdown/annuity) a default option for all DC pensions, but also to facilitate collective money purchase. The latter is known as collective defined contributions (CDC) arrangements, which offer members what they most really want: an income for life in retirement. It will be do-able for large DC providers, including many master trusts.

Pooling of risks is making a comeback, mark my words. ■

DB schemes consolidation

Chris Parlour, head of employer engagement at **Stoneport Pensions**, discusses the challenges

Smaller defined benefit (DB) pension schemes face a multitude of challenges, from keeping up with ever-changing legislation and regulatory guidance, to protecting their members from pension scams and ensuring good governance generally. On top of that, smaller DB schemes suffer from huge diseconomies of scale, with running costs that are typically a multiple of those that large schemes pay for the same services (when expressed on a cost per member basis).

It is no wonder that consolidation is such a hot topic in the industry.

Evolution of the regulatory landscape

There have been more than 1,000 new pieces of pensions legislation since the turn of the millennium. This year has already seen the Pension Schemes Act become law, whilst a second consultation on The Pension Regulator's ('the Regulator') new funding code is due in the autumn. Even the amalgamation of ten existing codes of practice, which is currently under consultation, could lead to additional duties being placed upon trustees.

The dangers to DB benefits

Since freedom and choice was introduced in 2015, pension scams have become an increasing problem. Action Fraud (https://bit.ly/3eBuk1B) has reported that £1,800,000 was lost to pension fraud in the first three months of 2021 alone.

Trustees are being urged to do more to help protect members, but also risk legal action if they fail to pay a transfer of DB monies quickly enough. To give trustees the power to block suspicious transfers, yet more new legislation is expected in the autumn.

The governance burden

Whilst a strong governance framework is entirely necessary and appropriate – to protect members' retirements – it places a very heavy burden on smaller DB schemes in particular.

The pandemic has placed additional pressures on trustees and employers already struggling to keep up with new rules and regulations. It is no wonder that some smaller DB schemes struggle to satisfy the Regulator's high expectations when it comes to good governance.

> ...a significant amount of 'fixed cost', affecting smaller DB schemes disproportionately

Diseconomies of scale

Meeting the regulatory and governance challenges DB schemes face comes at a cost. DB schemes of any size employ a host of advisers, including actuaries, administrators, investment consultants and lawyers, to help them navigate the increasingly complex pensions landscape.

Many tasks that need to be performed, like undertaking triennial actuarial valuations, or preparing annual accounts, give rise to a significant amount of 'fixed cost', affecting smaller DB schemes disproportionately to larger ones.

Smaller DB schemes with less than 1,000 members typically spend well over £1,000 per member each year, which is highly inefficient in the context of paying an average pension of around £5,000 per annum. Employers have to shoulder these costs for every member, even those not yet in receipt of a pension, some of whom may not see a penny from their scheme for more than twenty years.

Meanwhile, large DB schemes, with more than 5,000 members, spend an average of less than £200 per member each year.

Alleviating the pressures

Consolidators typically benefit from a more professional set up than a smaller DB scheme running alone, which makes them better able to adapt to changes in the regulatory environment. They can also leverage their size to embrace technology and engage communications specialists to educate and inform their members, helping them to guard against pension scams and facilitating better decision making more generally.

Often a consolidator will have professional independent trustees too, ensuring the highest standards of knowledge underpin their operation. Good governance can deliver significant financial benefits. Academic studies cited in the Department for Work & Pensions' white paper *Protecting Defined Benefit Pension Schemes* (https://bit.ly/3hh9JBj) showed that good governance through effective investment can add between 1% and 2% per annum to returns.

Where benefits are secured in bulk, rather than for each of the smaller schemes individually, consolidation can also offer significant endgame buy-out savings. These savings are on top of the reduction in running cost that consolidators can achieve by bringing schemes together, to spread the fixed running costs over a much larger number of members.

As well as cutting costs, consolidation can also reduce risk, through increased diversification of the assets and more sophisticated liability matching. Some of the newer solutions in the market, as well as the traditional insurance company buy-out option, also offer improved benefit security to members.

The number of consolidation options in the market and the range of benefits they offer is growing. Any trustees and employers considering consolidation as a way of addressing the challenges their schemes face will need to carefully weigh up all the options before making their move. ■

Mind the gap

Henry Tapper, chief executive officer for **AgeWage,** discusses ways to narrow the pension gender pay gap

The pension gender pay gap is a consequence of women spending less time in the workplace and getting paid less when they are working.

The recent report, *New Choices, Big Decisions: 5 years on*, (https://bit.ly/2QQEmD2) (sponsored by State Street and The People's Pension), has not had the attention it needs or deserves. It recommends that workplace pension providers should explore the possibility of communicating with female members who work part-time, in their mid-40s and beyond, to explain the ramifications for the size of their pension pot of not having up to an extra two days a week of work. The People's Pension claims that on average women have £7,000 per annum less in pension rights than men, not just because of the gender pay gap but because they are unproductive and pay no pension contributions when men are forging ahead.

The People's Pension calls for providers to speak with women who have deferred pension rights but no current contributions and nudge them back to work. This assumes, however, that women want to return, and indeed that it is financially viable for them to do so.

As Jenna Gadhavi points out in a recent blog (https://bit.ly/3b96iJc), many women who leave the labour market to have and bring up children, miss out not just on a wage but on future pension rights in whatever form they build up. Getting the balance between caring for young families is one thing, but we also know that the majority of elderly care is provided by women and usually on an unpaid basis. Many women swap a lifetime of paid work for a lifetime of unpaid caring – and have few lower pension rights/pots as a result.

Commenting on the article, Norma Cohen, a veteran *Financial Times* journalist, points out: "It is becoming increasingly clear that provision of high-quality, affordable childcare is a necessity, not a luxury, in a modern economy. Given the rising proportion of elderly people in the UK compared with those of working age, it is clear that government policy must aim at helping those of working age be as productive as possible. That means making it much easier for women – a majority of university graduates – to both raise families and participate at work."

> ***...on average women have £7,000 per annum less in pension...***

I agree, the problem goes deeper than making working women aware of their need to pre-fund pension contributions prior to having their family. Cohen sees a systemic problem and calls for a systemic solution.

There is a beacon of hope for women, arising from legislation that means women cannot be given lower annuity rates than men. This extends to scheme pensions, so that if a defined contribution (DC) pension entitlement is based on the build-up of money in a notional pot, that pot cannot pay a bigger pension to a man than a woman, even if a man is likely to get the pension for shorter than a woman.

This goes for the state pension too, which pays the same to women as men provided both have equivalent National Insurance records. (We know that many women have inferior records and this too needs to be addressed.)

The conscious decision of the European and UK courts to provide a bias towards women in unisex annuities and equalised pensions has meant that women are benefiting from better pension rates than previously. But DC pensions that pay out as cash or through drawdown or simply roll-up, miss out on this female pension perk. Drawdown works best for men and perpetuates a bias we find elsewhere in the system.

The People's Pension, now Britain's second biggest DC pension scheme, looks after the retirement interests of millions of women. Its work with Ignition House shows that the problems for savers are systemic:

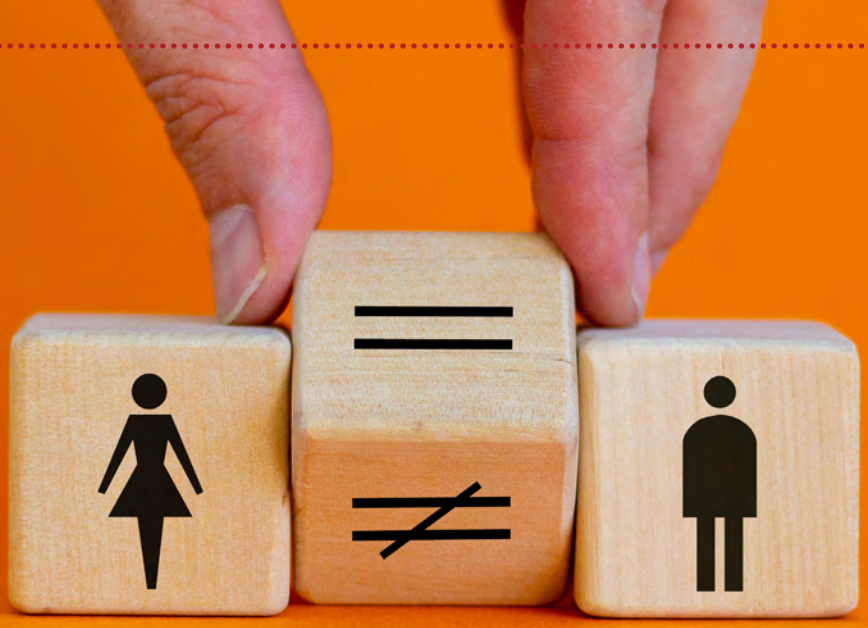
- Savers are scared of planning for the future as they don't want to discover the 'truth'.
- Savers underestimate the financial risk of growing old and don't understand how inflation can impact their savings.
- The typical saver follows the path of the least resistance – they won't leave a product or change a drawdown withdrawal rate once they have signed up.

I suspect that the problems unearthed by the report cannot be nudged away. Systemic problems need systemic solutions.

Isn't it now time for schemes, like The People's Pension, to offer all its members the option of a scheme pension paid from a pooled pot where women can benefit from the same rates as men and enjoy freedom from pension freedoms that can work against them?

The actuarial assumptions that underpin collective defined contributions (CDC) work in favour of women, just as unisex annuity rates do.

The options in the Pension Schemes Act (section 48) for multi-employer schemes present an opportunity for it to systemically reduce the pension gender cap. We are likely to see the reintroduction of scheme pensions from DC schemes when CDC come on stream from the end of this year. Put more bluntly, The People's Pension could (and, in my opinion, should) go CDC. ■



Equal pay, redundancy bumping, unfair dismissal

Nicola Mullineux, senior employment specialist for **Peninsula**, reviews the decisions in three cases

Asda Stores Ltd v Brierley

The Supreme Court has upheld a previous Court of Appeal (CA) decision that retail workers can compare pay terms for the purposes of an equal pay claim to distribution workers, due to common terms applying at the establishments.

Around 30,000 predominately female retail workers have submitted equal pay claims against ASDA, alleging they were not receiving equal pay in comparison to the pay terms afforded to predominantly male distribution employees. They argued that the roles of retail workers, and those working in distribution, are similar enough to warrant an equal pay claim.

Before it could hear their actual equal pay claim and therefore determine whether pay is related to gender, it was necessary to establish if a comparison could be made between the two groups. Both the employment tribunal (ET) and the employment appeal tribunal (EAT) determined that the retail workers could compare their pay terms to those applying to distribution workers. ASDA appealed to the CA, which dismissed their appeal.

The CA assessed key matters under domestic law when determining whether common terms apply at the establishments. They found that common terms do not require all the terms that apply to relevant employees to be common. Instead, taking a common-sense approach, "broadly common" terms will satisfy this requirement.

Applying this to the case in question, the CA highlighted that common terms applied to all retail workers employed at retail sites. Notwithstanding the slight pay variation between depots, there were also common terms applied to all distribution employees working at distribution sites. As common terms and conditions applied to the relevant classes, regardless of where they actually worked, the CA held that the ET and EAT had correctly determined that retail workers could compare their terms against those of distribution workers.

ASDA appealed further to the Supreme Court (SC), which has dismissed their appeal. Agreeing with the CA, the SC found that the conditions of retail workers and those in the distribution centres could be comparable even if the groups were not based at the same establishment. The SC explained that the correct test, from existing case law, was to establish whether the comparator, if employed to do their job in the claimant's establishment, would do so under existing terms and conditions. The ability to compare employees across sites is there to prevent organisations from avoiding a successful pay claim on this basis.

The SC went on to outline that the original ET had considered the wrong question by carrying out a line-by-line comparison of the terms and conditions of employment between the two groups. What they should have done is establish a broad comparison by seeing if the terms were substantially the same. This was necessary in order for comparisons to be made that otherwise may not have been due to geographical or historical factors. That said, as the ET had correctly concluded that distribution employees would have been engaged on mostly the same terms if they had been engaged at

> ***...claimants are now free to return to the ET to have their equal pay case heard.***

the claimant's site, the SC did not interfere with their ruling.

The claimants are now free to return to the ET to have their equal pay case heard. ASDA is still able to make the argument that there is a material difference between the roles which justified the disparity.

M Austin v A1M Retro Classics Ltd

The ET has ruled that the claimant was unfairly dismissed after posting his frustrations with his employer on social media. Mr Austin was employed by the respondent as a paint sprayer. On 13 February 2020, both parties entered into an argument about the claimant's poor workmanship which resulted in the respondent becoming agitated and shouting at the claimant.

After the claimant returned home that day, he turned to Facebook to vent his frustrations about the argument; one of the posts read: "I don't think I'm a bad person but I don't think I have ever felt so low in my life after my boss's comments today." The post garnered a number of responses from people attempting to reassure the claimant, some of which were inappropriate and included personal verbal attacks towards the respondent – including homophobic comments.

Some days later, on 17 February 2020, the claimant was called into a disciplinary hearing without any real prior notice and without the respondent's disciplinary policy having been followed. The claimant was dismissed via telephone the next day and later made a claim to the ET for unfair dismissal. The claimant also argued that he was not given the opportunity to be accompanied at the hearing.

The ET upheld his claim because the respondent had failed to carry out a proper investigation of the incident and there had been no prior notice given to the claimant that the disciplinary hearing would be taking place.

With regards to the former, the respondent attempted to rely on their social media policy which states that employees should only make posts on their personal social media accounts and not make comments which would ruin the reputation of the organisation and those in charge of it. To this the ET expressed that the respondent should have investigated whether the claimant's occupations and place of work were identifiable on his Facebook page before calling a disciplinary hearing. The ET went on to say that a "reasonable" employer would have not only done this but also checked the privacy settings of the post and the size of the group who interacted with it – due to the social media policy highlighting the need for "appropriate privacy settings" on employee posts.

The ET's explanation of its decision that it was satisfied that the claimant had not been given enough notice of the disciplinary hearing relates to the claimant's blatant unpreparedness for the hearing. He had not been given any information of what was being alleged against him; thus, he could not prepare a defence. In all, it was clear that the respondent had not followed a fair procedure before concluding that a dismissal was reasonable.

Although the ET upheld the claim of unfair dismissal, it disagreed that the claimant had not been given the opportunity to be accompanied to the disciplinary hearing. The ET found that there was no evidence to show that the claimant had requested to be represented by a trade union or a colleague.

...the respondent had failed to carry out a proper investigation of the incident...

Barlow v Horwich Farrelly Solicitors

The ET has ruled that a claimant was not unfairly dismissed after being made redundant and having their bumping request denied. 'Bumping' is when one employee whose role is at risk of redundancy is redeployed into another employee's position, meaning that employee will be made redundant instead.

The claimant, Ms Barlow, began working for the respondent's subsidiary, Zest Legal, in 1987 as a secretary. As she progressed through the company, her role changed to that of client relationship and development coordinator in 2011, as well as working as a personal assistant to the head of the company.

In 2017, Zest Legal went through a period of winding down, rendering fourteen staff redundant and redeploying twelve others to existing roles in other departments. During this period, Ms Barlow's knowledge and expertise proved useful to the company and she played a considerable role in the winding down process which lasted for a period of two years. However, in 2019 after the winding down of Zest Legal was complete, Ms Barlow was informed that her role was at risk of redundancy.

As her role was independent, Ms Barlow was told that there would be no selection pool and that the only alternative roles available were lower ranking and which carried lower salaries. Ms Barlow argued that although Zest Legal had wound down, she was still employed by its parent company, Horwich Farrelly Solicitors (HFS), and thus a fair process would call for all others within HFS who had the same role as her to also be at risk of redundancy. She put forward the option of bumping a HFS employee in order for her to move into their role. HFS rejected this, arguing that it had considered the option and had determined that doing so would not be an appropriate action to take.

Ms Barlow's role was made redundant shortly after as she had rejected the lower paid role offered to her. She appealed this decision with HFS unsuccessfully and thus brought a claim of unfair dismissal to the ET.

The ET rejected the claim that Ms Barlow had been unfairly dismissed. The fact that she had accepted that a redundancy situation had arisen meant that the ET simply had to consider whether HFS could have considered bumping by creating a selection pool of all its own staff performing the same role as Ms Barlow. The ET held that it was indeed appropriate for Ms Barlow to have been the only one in the selection pool as her role was the only one at risk of redundancy and that an organisation is not legally obligated to bump another employee or consider this as a suitable option.

It went on to state that it would have been a reasonable response if HFS had chosen the bumping route but since they did not, for sound and genuine business reasons, it was up to Ms Barlow to show that the decision was unfair. In this case, she had not successfully proven HFS's decision to be unfair. ■

Annual leave

Danny Done, managing director at **Portfolio Payroll**, discusses the issues of managing requests and enforcing take-up

The summer months are edging closer and, in light of the coronavirus pandemic and the respective UK governments' roadmaps for getting the country back to some form of normality, an increasing number of employees may wish to book holidays around the same time as each other. Specifically, England's roadmap reads that, if coronavirus data proves favourable, all restrictions will be lifted no earlier than 21 June 2021. This means that most annual leave bookings may fall towards this period.

To offer some context, employees are entitled to a minimum of 5.6 working weeks of paid annual leave each year, which works out as 28 days for those who work a five-day week. What this entitlement means is that employers must give their employees the opportunity to take this amount of annual leave per year as a minimum.

That said, however, employers have flexibility to refuse annual leave requests, decide when leave can or cannot be taken, and how it is taken. With this in mind, employers may be happy to let their employees reserve their annual leave until the summer months, meaning careful consideration must be had for their business needs.

Managing leave requests

For an employer, their business needs will be a priority, as will their duty of care towards safeguarding their employees' health and safety. Mental health has been a rising topic of discussion in the past year as the coronavirus makes lasting changes on how we, as human beings, interact. For this reason, amongst others, employers may feel inclined to grant leave requests at a time when relaxation and enjoyment is somewhat guaranteed.

However, when it comes to the business itself, employers will need to consider how an employee's workload will be managed and how best to manage multiple requests around the same time. Human resources (HR) or line managers can assess the situation on a case-by-case basis to determine whether leave can be taken at any given time and by any number of people at once. They will also be able to determine the likelihood of work being reshuffled around the team when a member is on leave, or whether those going on leave can meet their deadlines before their holiday begins.

> ***...by implication that means employers have the right to reject requests.***

Enforcing take-up

Contrary to popular belief, staff do not have a right to take annual leave whenever they wish. They must request leave, and by implication that means employers have the right to reject requests. Employers also have the ability to enforce take-up of annual leave; however, although employers have this right, they must give staff double the length of the enforced leave as notice. For example, if employers want an employee to take three days' worth of leave, notice of six days must be given in advance.

Employers are reminded that annual leave can be taken at the same time as furlough to avoid a bottleneck situation once the scheme ends at the end of September 2021. However, there may be an argument that this circumvents the point of annual leave in that the employee is already not working so employers are seemingly denying them the ability to take the time as a break. It should be noted though that furlough has not been described as a period of holiday, seeing as furloughed employees can be called back to work at any time, and should not be taken as such.

Instead, enforcing take-up of leave amongst those on furlough should be seen as an opportunity for them to earn their full pay. This is because, if employees who are registered as being on furlough take a period of annual leave whilst they are still furloughed, they are entitled to a top-up of the government's 80% grant to 100% of their wages.

Carrying-over annual leave

Under normal circumstances, at least four of the 5.6 weeks' leave entitlement must be taken in the year in which it is accrued, except where family and sick leave are concerned.

The impact of coronavirus has led the government to pass emergency legislation to allow the carry-over – to the next two leave years – of the four weeks of leave that could not usually be carried over. This is in the case that it is not 'reasonably practicable' to take it in the current leave year as the government still expects that employers should encourage take-up of leave where possible.

Advice

Employers will need to think carefully about how they manage annual leave as coronavirus restrictions are eased across the UK. It is important that employers keep their business needs in mind, but it is also important to consider that annual leave requests may need to be granted in order to relieve an employee's stress and help them with any mental health issues they may be facing. ■

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Skills-Edge Suite launched

MERCER HAS launched its Skills-Edge Suite (https://bit.ly/3tJHo9h), an integrated service offering of consulting, technology and data that helps organsiations advance skills-based talent and pay practices. Some of the new products included are the following.

- ***Skills library*** – A skills taxonomy based on market data curated by Mercer and mapped to the Mercer Job Library. Organisations learn what skills they should focus on to support their business strategy.
- ***Skills pricer*** – A self-service web application showing which skills are influencing the pay of a selected job. Determining the skills that are most valuable to them helps organisations attract and retain in-demand talent.
- ***Skills pay planner*** – An AI-driven tool designed to arm organisations with intelligent pay recommendations for individual employees. Understanding the premiums associated with certain skills helps make informed compensation decisions.

Buck launches Delta+

THE CONSULTING, technology, and administration services firm, Buck, which specialises in pensions and employee benefits, has launched its Delta+ platform in the UK to help employers improve employee engagement, productivity, and efficiency in the ongoing administration of their benefits programmes.

The platform creates a comprehensive data analytics dashboard that allows employers to measure employee engagement with their current offerings, and also gain a holistic view of the total cost of their reward and benefits programme, in real time, locally and globally. The technology also enables companies to onboard new employees quickly and seamlessly, removing the administrative burden and streamlining processes for HR departments. The platform helps employees select benefits that match their unique preferences and needs, as well as providing wellbeing programmes and lifestyle options.

activpayroll opens Manchester office

GLOBAL PAYROLL and tax compliance specialist, activpayroll, has announced the launch of its first English office in the city of Manchester, marking the company's first office in England. Manchester is now one of the UK's fastest growing cities and has become an incredibly popular location for global organisations to launch corporate offices.

The office has initially been established to provide enhanced support to new and existing UK domestic and international customers. In addition to its payroll services, activpayroll's Manchester office will also offer customers specialist global mobility and global HR support.

Euan Sellar, chief operating officer for activpayroll, said Manchester "is best placed to allow us to grow our customer base in England, and will allow us to provide greater specialist support to our customers based in both the UK and Europe."

Nick Southwell, chief financial officer at activpayroll, added: "Manchester also offers an incredible talent pool and as we look to gradually grow the office, we look forward to hiring from a range of different skillsets around the city."

New Oracle Journeys platform

MULTINATIONAL COMPUTER technology company, Oracle, has launched Oracle Journeys, a new tool to help HR deliver a more intuitive, personalised, and streamlined experience for employees. The latest innovations within Oracle Cloud HCM include:

- ***Journeys LaunchPad*** – Delivers a single destination for employees to explore, launch, and share Journeys tailored to their needs.
- ***Journeys Creator*** – Allows HR teams and managers to create, modify, and assign Journeys across the enterprise. HR leaders can access a library of pre-built Journey templates, which can be tailored to the unique needs of the organisation, workforce, and individual teams.
- ***Journeys Booster*** – Helps integrate HR processes and other business functions with third-party systems and external application, enabling end-to-end process completion in a single experience, supported by the process automation capabilities of Oracle Process Cloud, with minimal coding needed.

Chris Leone, senior vice president of development, Oracle Cloud HCM, said: "Organisations need to provide guidance throughout an employee's entire career, from training to finding a mentor, returning to the workplace, and eventually traveling safely."

AgenTrak for remote workers

ASTERLOGIC, A leading employee monitoring and optimisation software company, has partnered with Ascensos to provide AgenTrak, the employee optimisation solution which allows managers to have better visibility of their remote workers' productivity, helping ensure performance is high and employee wellbeing is monitored.

Steve Spratt, chief operating officer at asterlogic, commented: "With remote working becoming the norm, we have helped Ascensos make the transition to remote working without loss of productivity."

David Gilfillan, technology director at Ascensos, said: "Moving our workforce to the home was initially a challenge, but AgenTrak made the transition seamless. Our staff are performing as well if not better than when they were in the contact centre," adding that AgenTrak "has helped in our decision to make homeworking a core offering ongoing."

Capita's employee wellbeing offering supported

LEVEL FINANCIAL Technology, a financial health platform, has used open finance technology from Moneyhub, a market leading data and intelligence platform, to support their personal financial management app for 41,000 employees at business process outsourcing and professional services company Capita. The app gives employees the ability to keep track of their income and budget throughout the month, access salary advances and automatically save part of their monthly wage into savings accounts with high interest. It also provides financial education and advice from the Money & Pensions service.

Stephen Holliday, chief executive officer (CEO) and founder of Level Financial Technology, said: "It is our belief that businesses must play a leading role in the financial health of their staff, and the pandemic has accelerated the need for technology that enables employees to improve their financial wellbeing."

Samantha Seaton, CEO of Moneyhub, said: "At Moneyhub, we believe in championing the importance of financial wellbeing and have developed open finance and open banking technology to do just that. We look forward to how this offering will develop in the future."

Security awareness

A RECENT survey conducted on behalf of KnowBe4, a provider of security awareness training and simulated phishing platform, finds that the UK workforce is ill-prepared to face today's expanding cybersecurity threat landscape. The report, *Furloughed workers: A second wave, a second look* (https://bit.ly/3aF5kVF), sets out to understand, from a human perspective, what extended furlough and transitions in and out of employment have meant to employees.

Of a thousand recently furloughed employees, 41% admitted that their company had never offered them a security awareness training course, while 14% have gone as far as to say that their employer has not taken security seriously enough. Of those who did receive training, 29% of respondents conceded that it had been at least six months or more since the last training course. Only 7% of respondents received a security awareness refresher course upon return to work.

Only 7% of respondents in organisations that had implemented security measures viewed them as a barrier to work; 40% of respondents recognised that the measures are necessary despite finding them annoying; and 59% shared that they felt reassured by the controls.

One in four (25%) have received a phishing email in the last six months relating to covid-19 or furlough. Upon return to work: 42% chose to sort through their emails quickly in an effort to get back to business as usual, increasing the likelihood of falling victim to a phishing attack; 14% either deleted all their emails or ignored/archived them; and 10% had their emails managed by their employer or a colleague over the furlough period. On average, respondents have received unexpected meeting notifications twice a week.

Javvad Malik, security awareness advocate at KnowBe4, commented: "Since the mass shift to remote working ... we have seen an undeniable amplification in cyberattacks" adding that "it is pivotal that an organisation's security strategy includes on-going security awareness training. This is especially true as cybercriminals innovate and adopt new methods such as employing phishing links disguised in meeting invites."

NOW: Pensions urges lowering of AE age

SPEAKING AT the Professional Pensions Defined Contributions Digital Event in April, Adrian Boulding, director of policy at NOW: Pensions, urged the government to lower the age of automatic enrolment from 22 to 18. Boulding said: "Those early years of contributions are the most valuable, as they gain from over 40 years of compound interest growth through investment. And age 18 to 22 is also a period where for many there are less pressures on their finances, as the years of mortgage payments and raising children mostly still lie ahead.

"Getting these early contributions in can be particularly important for women, as it enables them to get a period of full contributions under their belt before family responsibilities lead to years out of the labour market or part-time employment. Starting earlier will help to address the gender pension gap."

CEST tool usage data

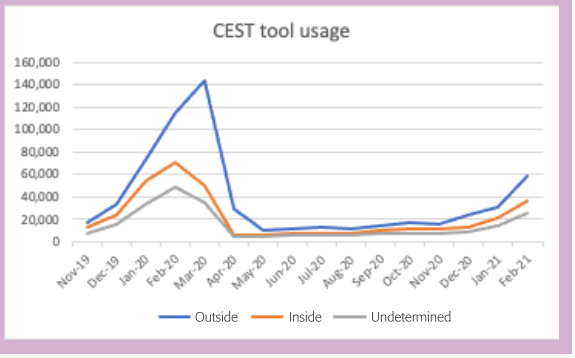
IN MARCH, HM Revenue & Customs published updated usage data of its check employment status for tax (CEST) tool since it was enhanced in November 2019 (http://bit.ly/2WEYSFM). The data, which is being updated quarterly going forward, is intended to strengthen user confidence in the determinations given by the service. Further releases of the data will occur quarterly in June and September 2021.

In the period 25 November 2019 to 28 February 2021, there have been 1,214,229 uses of CEST. Of these, 511,284 (42%) were made by workers, 682,167 (56%) by hirers, and 20,778 (2%) by agencies.

The overall outcomes of the 1,214,229 uses:

- 623,445 (51%) were outside the off-payroll working rules or self-employed for tax purposes
- 353,173 (29%) were inside the off-payroll working rules or employed for tax purposes
- 237,611 (20%) were undetermined.

The usage for the three months to February 2021, show a surge but nothing like that in the three months to March 2020; see the chart.



EMPLOYEE ENGAGEMENT

How employee engagement benefits from a payroll strategy

David McCormack, chief executive officer of **HIVE360**, asserts that a robust payroll strategy can enhance employee wellbeing, business profitability, efficiency, and, in turn, employee engagement and retention

Engaging, and engaging well with employees can be the key to unlocking the recruitment and retention of the best talent for your business, and contribute to minimising the time-drain from issues like absenteeism and poor performance from your team.

What is employee engagement?

Employee engagement is one of the fastest developing growth strategies for UK businesses. An established management topic since the early 1990s, it is today inextricably bound with employer communication, trust, culture, and purpose, and as such, is a constant feature of management consultancy and research, university teaching and human resources (HR) practice, and a focus for executive teams, boards and investors.

There is no one definition for employee engagement, but essentially it is how employees feel and think about their workplace, work, and employer, where 'work engagement' is a real state of mind. The positive link between an engaged, happy workforce and improved productivity and organisation growth is well-documented. Amongst the figures that illustrate this are an increase in productivity of between 20–25% when a workforce says it is engaged, a boost to productivity of around 18%, and growth in profits of as much as 12%.

Engaged employees boost performance, productivity, and even accelerate business business growth. Feeling engaged with their workplace has a positive impact on employees' level of absenteeism, retention, their innovation, client and customer service, and on employee purpose and their communication of their employer brand.

The link to employee engagement

From pandemic fallout to IR35 arrangements, bonus restructures and pay cuts, events in 2020 have created an even more complex landscape for payroll.

By its nature, payroll is a core data manager and the value of the information essential for the payroll system in providing deep insight into a business and its workforce, represents so much more than transactional details.

Utilised strategically, payroll data has the power to deliver vital operational statistics, identify actionable trends, and provide essential business information. Significantly, this not only informs accurate and meaningful decision making, but also has the potential to shape and inform employee engagement strategies, by using key information that creates individual employee 'persona' from insights like attendance and absenteeism, health, and personal issues.

Payroll and the payroll team engage with every level of a business, from the top to the bottom of the corporate tree. Its function and efficiency have a massive impact on the business – for instance, mistakes in payroll affect staff purpose, commitment, retention and productivity, and have a longer-term impact on talent retention.

Integrating payroll data functions with HR data and tech contributes to boosting employee engagement and provides a valuable tool for strategies and tactics around staff motivation, communication, reward and direction, flexible working, as well as overall business profitability.

Our in-depth study, *People at the Heart*, confirms this. It revealed that half of UK workers say an employer that provides good benefits, specifically flexible working, a comprehensive benefits package, mental health support, perks for work and leisure time, as well as a competitive salary and bonuses, are what make them feel appreciated and looked after.

The importance of empowering people to perform is borne-out of giving them that sense of purpose and inspiration to deliver for their customers and colleagues. Culture and purpose play a huge role in keeping employees engaged and making them feel valued at work. Growing numbers of UK workers are looking beyond financial gain to an employer that offers an environment where they feel they can thrive, grow, make a difference, and enjoy every day, and are rewarded for their contribution.

People feel engaged when they feel a connection, an attachment to their employer, and visa-versa. When a business defines and thinks about culture, they must include creating strategies that drive a sense of purpose and engagement for their employees, by exploring how they use employee input and feedback to build and improve their cultures. Payroll and a payroll strategy should be front and centre of this vital business planning. Engaged employees are happy employees, and happy employees will want to stay. ■

Integrating payroll data functions with HR data and tech contributes to boosting employee engagement...

EMPLOYEE BENEFITS

Integrating payroll and benefits

Jaspal Randhawa ChMCIPPdip, director of **product management, Payroll Solutions, Zellis**, argues now is the time

According to LinkedIn's *Global Talent Trends 2020* report (https://bit.ly/3fbDb9n), those employers assigned the highest rankings for their compensation and benefits packages saw 56% less workforce attrition. Nonetheless, employee benefits often have low take-up levels.

In some instances, people are confused by the complexity of what is on offer, while in others what is on offer may simply not meet their needs. But another common problem is simply a lack of awareness of what benefits are actually available.

This is where the value of integrating payroll and benefits systems and processes comes in. Growing numbers of organisations are starting to link payroll more tightly with other core human resources (HR) functions – and the connection between payroll and benefits is particularly clear. After all, pay and benefits together represent an employee's total reward package – something which heavily influences that individual's choice to stay with or leave a company. Plus, the benefits selected by individual workers have an impact on payroll, adding a further layer of complexity.

Joining up the processes that manage such activities offers advantages for employees, payroll professionals and the wider organisation. Here are three of the most important to consider.

● **Communicating the total value of the staff employment package** – Two in five employees are unacquainted with the total value of the pay and benefits provided by their employer, according to our research. A key reason behind this lack of awareness is that all too often they do not have a single place they can visit to access the information. Even if they do, it can be frustrating to have to log onto an entirely separate system just to manage their benefits.

But this oversight has a number of consequences. Firstly, staff end up wasting their own time and that of HR professionals in dealing with benefit-related queries. Secondly, the rate of individual benefit take-up is lower than it could be, which leads to inadequate data on the benefits to which employees are responding well or not. And thirdly, the positive outcomes associated with benefit provision, such as higher levels of staff engagement and productivity, are not fully realised.

Joining up payroll and benefits systems by integrating their data, however, enables employers to create what is commonly referred to as 'total reward statements'. Usually accessed via self-service HR applications, these clearly present the total value of each individual's employment package.

> ***...an impact on payroll, adding a further layer of complexity.***

Improving employer communication in this way helps boost individuals' understanding of their financial position, improving financial literacy, and enabling them to make smarter decisions about which benefits to choose, what level of pension contribution to make, and more. It also helps to increase overall benefit uptake.

● **Supporting payroll compliance and accuracy** – In order to calculate payroll accurately, professionals need timely access to the correct information, which includes data relating to benefits. The tight integration of payroll and benefits administration software makes it possible to share this information seamlessly, thereby improving speed, accuracy, and overall quality of the payroll process.

Another advantage of improving integration is that it becomes much easier to 'payroll benefits'. This concept means that most benefits-in-kind, such as company cars and private health insurance, can (optionally) be reported directly via payroll, reducing the admin burden.

But as the regulatory environment around benefits becomes more complex, another way that integration can help is by mitigating compliance risks. In this context, Zellis' ResourceLink software can, for instance, automatically flag if the salary of an employee taking part in a salary sacrifice scheme (which is taxed on its benefit-in-kind value) falls below the threshold for the national minimum/living wage. This enables steps to avoid any compliance breaches before the payroll is finalised.

● **Accessing integrated data for enhanced reporting and analytics** – Joining up payroll and benefits systems is not just about enabling automation and optimising business processes. It is also about integrating employee data to create a single source of truth which not only enhances the accuracy with which payroll data is processed, but also makes it possible to undertake strategic reporting and analytics activities. By analysing, for example, how pay and benefits influence employee satisfaction and attrition trends, employers can make smarter decisions to enhance their talent and people management initiatives.

In an age in which out-of-the-box, catch-all benefits no longer cut it and personalisation is key, analytics tools are also vital in pinpointing employee requirements across the gamut of different age ranges, lifestyles, and cultures. Put another way, the more accurate the data, the better the analysis and the more effective are the employment packages, all of which lead to a happier workforce, reduced costs, and a bigger return on investment for the business.

As employee benefits grow in importance, payroll is likely to play an increasingly significant role in not only supporting legislative compliance, but in helping to improve employee awareness around what benefits are available, thereby contributing to their financial wellbeing.

All of which means that the time to integrate those vital payroll and benefits processes is now. ■

workday

ADVERTORIAL

Payroll: the undercover superhero

Daniela Porr, senior product marketing manager, Workday, unmasks the superhero at the heart of business

Payroll departments have always been essential when change needs to be implemented. They are the keepers of important data and can form a bridge between finance and human resources (HR), using unique insights and skills to solve whatever is needed. They have been helping their firms navigate a changing world of work long before the pandemic crisis, but never has the work landscape changed so much and so rapidly as this past year.

With the unprecedented and abrupt changes in early 2020, compliance-related confusion was common amongst employers – but payroll handled it. They swooped in and made sure that employers were compliant, that employees were informed, and that everyone continued to be paid correctly and on time.

At the heart of the business – between HR and finance – payroll professionals continue to use their unique insights and skillset to navigate a challenging and changeable work landscape. In a single day they can tackle:

- *Facilitation of information sharing* – Payroll is often the bridge between finance and HR, translating necessary information into numbers for one side (finance) and policies for the other (HR).
- *Confidentiality* – Much like HR and finance, payroll must consider privacy and confidentiality. Payroll helps ensure the security of employee information.
- *Compliance* – Payroll partners with HR to ensure compliance, managing coronavirus job retention schemes and changes to statutory sick pay.
- *Communication* – Communication with employees is important, and like HR, payroll must take this into consideration in all interactions.
- *Reconciliation* – On the finance side, processing payroll involves knowledge of some accounting functions. Payroll must deal with tasks such as reconciliations and general ledger postings, which are core responsibilities of finance.
- *Internal controls* – Payroll must have strong internal controls. Much like finance, there are strict legal and audit procedures that payroll must follow.

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Who are you going to call?

Plain-clothes superheroes in their organisations, payroll professionals often fly under the radar – yet are ready to unveil their powers and come to the rescue as soon as there is even a hint of difficulty. They often fill several roles:

- *Emergency call operator* – On a regular basis, payroll gets emergency calls and emails from employees and managers needing help with a deadline (such as overdue timesheets).
- *Road traffic officer* – All roads lead to payroll. Like drivers who need to follow the rules of the road, payroll enforces the requirements and eligibility for pay and time off policies.
- *Firefighter* – When the unexpected occurs, as we have witnessed in recent times, payroll fights fires and figures out that final pay.
- *Detective* – Payroll uncovers the root cause of calculation errors.
- *Repair person* – Payroll knows how to get the job done and will fix any processing issues to get pay out on time.
- *Teacher* – Payroll promotes education and training on timekeeping, compliance and legislation to the workforce to ensure the data flowing to payroll are accurate and timely.
- *Strategic advisor* – Given that it is dealing with the largest single expense in most organisations, payroll holds critical data to provide strategic insights into people, processes and costs.

Despite the vast array of roles, the tools payroll has at their disposal are not fit for the superhero work they do. Payroll professionals can find themselves bogged down in manual work and corrections due to little automation. Key data is spread across disparate systems, making it difficult to consolidate and securely provide the right data to decision makers. On top of this, siloed systems make remote work less efficient, secure, and a less collaborative experience.

So, how can organisations help their payroll professionals build their superpowers and tools, to share insights and create networks that will in turn make the organisation more agile and efficient?

Technology to the rescue

Technology can act as a superpower. It can help address the increasing pressures on the payroll function by using unique, real-time insights, and mending the disconnect between finance and HR. Historically, all three areas have operated as separate silos and on disparate systems, which can feel like kryptonite to payroll – and the whole business – as it doesn't keep payroll in the loop with the latest data. In turn, this impacts the business as it loses out on the wealth of experience and insights to which payroll has access.

A one-system platform, like Workday, will create a harmonious relationship between all three. It will strengthen the data held and help payroll tackle challenges with more accuracy, allowing for shared processes and collaboration. Adding automation as an additional superpower frees up time for more heroic – or strategic – work.

Payroll is evolving to a more strategic function and demonstrating its worth in the crisis. Payroll professionals deserve to have the best tools for the job at hand, to help them ensure the integrity and stability of the entire organisation – and that's exactly what Workday does. ■

Feature topic *wordsearch*

To provide some light relief, the CIPP's policy and research team are delighted to have prepared for your enjoyment this classic word puzzle which features 36 words and an abbreviation related to this issue's feature topic of 'recruitment, retention, succession'.

The words can be forward or backward and vertical, horizontal or diagonal. Visit **cipp.org.uk/wsjun21** to see the answers.

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(Note that a space between or a hyphen in multi-word search items listed below is ignored in the table above. So, CAREER PATH would be shown as CAREERPATH.)

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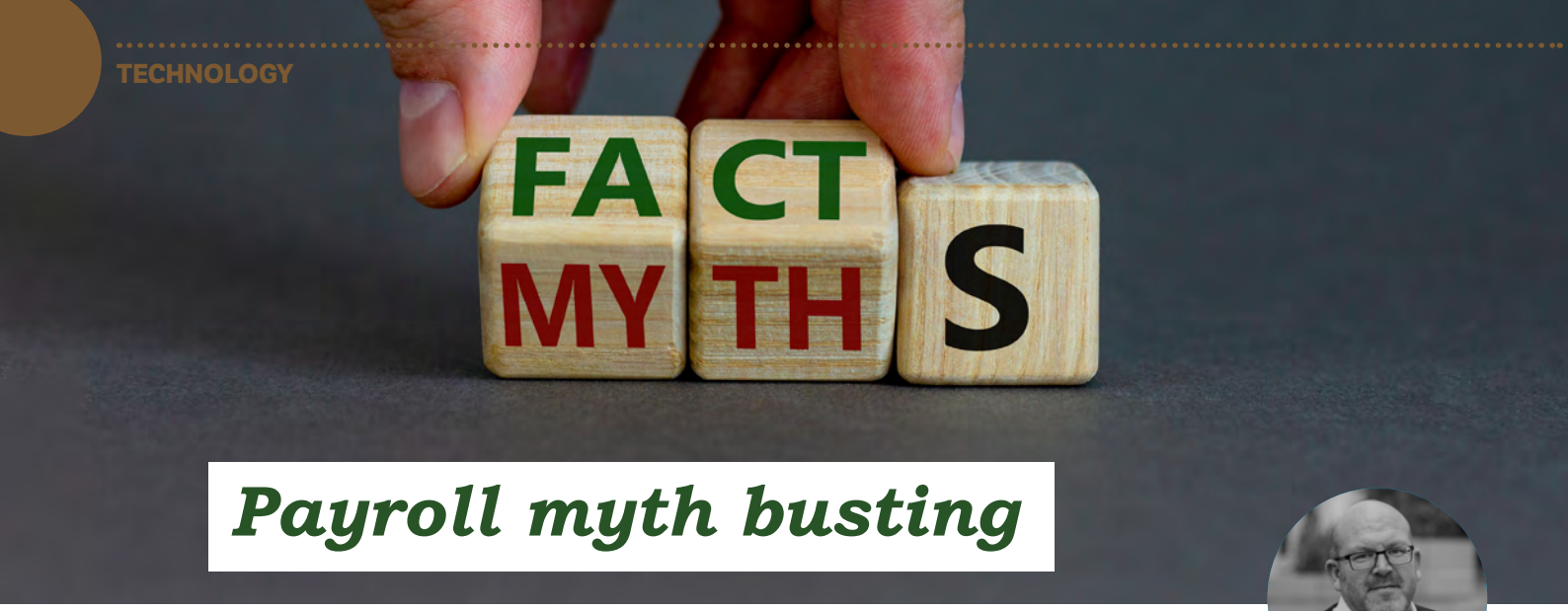

Payroll myth busting

Steve Watmore, product manager at Sage looks at how to distinguish fact from fiction, dispelling untruths by highlighting top-tips for keeping in the know

The UK has always been exceptional at harnessing talent and creating entrepreneurial businesses of all scales. The thought of managing your own business' finances can seem like an uphill battle, and many people balk at the idea of payroll – believing it to be a labyrinth of legislation and time-consuming.

● *Myth: You need to be a legislation expert* – One of the most common misconceptions of payroll is that you need to be a legislation expert. Although regulations can change regularly, keeping up to date with such changes needn't be such a burden. Businesses must take advantage of government sites, such as Gov.uk, which offer all the legislative knowledge required. Through HM Revenue & Customs (HMRC) business owners can follow step by step guides that help completion of certain regulatory forms and returns, such as self-assessment tax returns, and get real-time updates to changing regulations.

● *Myth: You need to be a mathematician* – Another fallacy of payroll is that you need lots of subject specific knowledge to be able to carry it out effectively. People believe that to carry out payroll obligations you need to be a wizard in mathematics. Needing to be able to calculate each employee's gross and net pay, whilst ensuring you're withholding the correct amount of money for taxes each pay period, can seem like a hugely complex task.

In fact, a wealth of information from payroll processing to understanding pensions can be found by attending payroll seminars, watching webinars and attending industry conferences, allowing you to soak-up topical advice about legislative changes and new payroll procedures.

● *Myth: It takes a lot of time to do payroll* – Payroll software closes the gap between a business and HMRC, helping the recording of employee details; calculating employees' pay; reporting payroll information; and working out employees' statutory payments. Having the technology to help stay on top of records, cashflow and business information, fundamentally eases the admin burden and ultimately allows focus on running the business.

> ***...the technology to help stay on top of records, cashflow and business information, fundamentally eases the admin burden...***

● *Myth: I'm not technical enough to use the software* – Increasingly, businesses are demanding complex, labour-intensive tasks be carried-out. To counteract this problem, automation offers a way to save time and increase overall efficiency. As such, payroll software offers functionality with automated payroll calculations and submissions; fully HMRC-compliant software to help avoid mistakes; and easy-to-create payslips with security encryptions.

● *Myth: It's easier to let someone else do it (outsource)* – When things get a little confusing in the payroll world, it can be easy to want to turn to someone else to take the reins. Having additional support with finance and payroll isn't a bad thing. However, understanding the going and comings of the business's finances allows directors and owners to truly be at the helm of the business and enables them to steer it in the right direction with the benefit of having more control.

In this way, they will be able to better manage payroll compliance and in turn employee expectations. Not only does running payroll in-house enable enhanced security and data protection, but also allows payroll errors to be caught at speed.

● *Myth: Staying as a sole trader is easier than hiring employees* – This is perhaps the worst myth of them all. The false impression that running a business alone is easier than having to deal with employee payroll management can leave sole traders burning out quicker than expected.

Holding back and allowing fears to become a hinderance has never been the path to business triumph. Self-service models of payroll exist for the very purpose of making it simpler to review and approve requests in real-time by giving your employees more responsibility. So instead of recoiling from expanding your business and employees, find flexibility in the hundreds of payroll solutions available. ■

Approaching your payroll management doesn't have to be as tough as it first appears. The key is to not be frightened by fictions of payroll disasters. Whether it be complex legislation, confusing technology or time-poverty, with so many payroll solutions out there you don't have to search far to source clear guidance. Help is at hand and software is available to makes running payroll a walk in the park.

Supporting mental health, wellbeing, and absence

Natalie Rogers, chief people officer at **Unum,** shares a step-by-step guide to support employers looking to improve their employees' health and wellbeing

The year 2020 tested us, businesses have conflicting priorities, and there can be so much information to sift through. It's no wonder grappling with a company-wide approach to mental health, wellbeing and absence management can feel overwhelming.

For some, creating and implementing initiatives, and aligning wellbeing strategies to the organisation's wider strategies and policies can be seen as unwanted extra hassle. It's an attitude that makes it that much harder to prioritise, deliver and measure the success of any plan.

Here are five steps employers can take.

Review and plan

As an employer, it's important that you understand how well your current mental health and wellbeing initiatives are working. Using the government's *Thriving at Work* report (https://bit.ly/3tyDAYl) and its *Mental Health at Work Commitment initiative* (https://bit.ly/33yPlhz) as a framework is a good starting point.

Get started

Just 33% of employers have a written policy or guidance to help them reduce stress, and 41% of employers have a more reactive than proactive wellbeing strategy (see *CIPD Health and wellbeing report 2020*, https://bit.ly/3f9qN9H). Putting mental health and wellbeing on the agenda, and defining your approach is an important part of the process. Prioritising mental health and wellbeing with a well-thought-out plan or policy demonstrates accountability and sends a clear message about your business's approach.

> ...conducting a mental health and wellbeing review is likely to identify certain areas where you can focus training...

Prevent and manage absence

Whether you're trying to tackle short- or long-term absence, the best starting point is to start monitoring your absences, if you don't already; unless you know what it is you're dealing with, it's pretty impossible to manage. The good news is that this doesn't have to be difficult; it could be something as simple as setting up a spreadsheet to monitor staff absence.

Having a thorough plan for absence management at work is key to supporting staff before, during and after sickness absence. The plan should encompass both those employees making a safe and sustainable return, but also consider those who may still be at work but struggling. For example, particularly after what we've learned from lockdown and long-term remote working, installing better flexible working policies can help staff achieve a better work/life balance, reducing their chances of developing stress-related illnesses.

Get training

Recent research by Business in the Community (www.bitc.org.uk) revealed only 11% of managers have attended training that focused specifically on mental health.

Chances are, conducting a mental health and wellbeing review is likely to identify certain areas where you can focus training, whether from the absence data trends that've been spotted or where the mental health standards are not fully met.

Digital health and wellbeing tools for all

Ensuring staff have access to digital tools and resources is vital to help prevent and proactively manage issues before they become too serious. Ensuring staff have easy access to health and wellbeing support can help employers minimise absence, improve productivity and keep employees present and engaged.

Providing digital support gives a quick, simple, and effective way to show your employees you care about their physical and mental wellbeing, while receiving real business benefits. ■

Useful contacts directory

Content is supplied by the organisations themselves. *Professional in Payroll, Pensions and Reward* **cannot accept any responsibility for the accuracy of the information that is supplied or the views contained therein. If in any doubt, please contact the organisation directly.**

To book one or more entries in the *Professional in Payroll, Pensions and Reward* useful contacts directory, contact **Vickie Graham** on **07775 564 352** or email **advertising@cipp.org.uk**

CONSULTANCY

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Website: www.cipp.org.uk

CIPP Consult provides payroll, reward, benefits and HR advice which is completely independent of all relevant software and service suppliers. You can rest assured that our recommendations are based on our excellent research and knowledge base and not on the amount of commission we might earn (because we earn £0 commission). All of our consultants are appropriately experienced and qualified in their fields and we will work with you to ensure that your expected outcomes of the assignments undertaken are agreed at the outset and fully met. We can offer you consultancy relating to payroll forensic audit, procurement support, project management, holiday pay, National minimum wage compliance and automatic enrolment for pensions.

LitE Consulting
Clover House,
John Wilson Business Park,
Whitstable, Kent,
CT5 3QZ
Tel: 01227 206495
Email: sales@liteconsulting.co.uk
Website: www.liteconsulting.co.uk

LitE Consulting are an Independent consultancy practice that assist clients in selecting, implementing and managing their HRIS and Payroll solutions. By utilising our extensive experience, we help you select the most appropriate solution to meet your requirements and compliment the skills within your teams. We pride ourselves on the quality of our deliverables and offer the following services:

HR & Payroll Software Selection · Process and Change Management · Data Analysis and Migration · Project Management · Implementation · Support and Training

COMPLIANCE AND QUALITY STANDARDS

Payroll Assurance Scheme (PAS)
Goldfinger House, 245 Cranmore Boulevard, Shirley, Solihull, West Midlands, B90 4ZL
Tel: 0121 712 1000
Email: compliance@cipp.org.uk
Website: www.payrollcompliance.org.uk

The CIPP Payroll Assurance Scheme is a payroll quality and compliance service aimed at accrediting organisations who display best practice in payroll processes and people. Consisting of two modules; the process module and the people module; the scheme assesses payroll and associated processes to ensure compliance, reduce errors and highlights areas for improvement; as well as diagnosing staff skill levels and learning and development needs.

FULLY MANAGED OUTSOURCED PAYROLL SERVICES

Frontier Software
63 Guildford Road, Lightwater, Surrey, GU18 5SA
Tel: 0845 3703210 Contact: Sales Department
Target Employee Range: 50+
Email: sales@frontiersoftware.com
Website: www.frontiersoftware.com

Frontier Software Payroll Services can be tailored to meet individual requirements. With our fully managed service, users enjoy all the accessibility, flexibility and control of processing payroll in-house, without having to allocate staff, equipment, time and resources to manage it. And, when it comes to reliability and accuracy our team can be relied upon to ensure the timely payment of yours. Business Continuity Plans – UK Service Centres – BACS approved – HMRC PAYE Recognition: **Trust Frontier Software with your Payroll Processing**

Moorepay Ltd
Lowry Mill, Lees Street, Swinton
Manchester, M27 6DB
Email: sales@moorepay.co.uk
Tel: 0845 184 4615
Website: www.moorepay.co.uk

Our fully managed outsourced payroll services are designed for UK businesses. We provide easy-to-use software including employee self-service and powerful analytics. Our dedicated UK-based payroll & technical support team manage the whole payroll process for you - from data validation and calculation to distributing payslips and reporting. Founded in 1966, we have 10,000+ customers across the UK and process over half a million payslips every month.

Moorepay. Making payroll & HR easy.

OneSource Virtual
1 Ropemaker Street, Suite 1223, London, EC2Y 9HT
Tel: +44 (0) 208 895 4657
Email: info@onesourcevirtual.com
Contact: UK Sales Team
Website: www.onesourcevirtual.com

OneSource Virtual offers Managed UK Payroll Services that reduce administrative burdens and allow you to reclaim internal resources for more strategic projects. As a Workday Service Partner, our multinational payroll services are exclusive to Workday customers. By operating within your Workday application we become an extension of your organisation, lowering risk and reducing failure points. Delivered by experienced UK payroll professionals who are also Workday Experts, our service levels are designed for flexibility and control.

Zellis
239 Thorpe Park Rd, Peterborough PE3 6JY
Tel: 0800 042 0315
Email: tellmemore@zellis.com
Website: www.zellis.com

With over 50 years of cross-industry experience, we have both the size and scale to offer a broad range of services, including Fully Managed Payroll, Partially Managed Payroll, Payroll and HR Advisory Services, and HR Administration Services.

We run a trusted, expert-led and technology-driven service using an optimal mix of onshore and offshore operations. This allows us to meet the specific needs of our customers, and provide them with cost-efficiency, flexibility, and resilience.

INTEGRATED PAYROLL AND HR

Cintra HR & Payroll Services
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Gateshead, Tyne and Wear NE8 1ET
Tel: 0191 478 7000 Fax: 0191 478 6060
Contact: Nham Lee Email: sales@cintra.co.uk
Website: www.cintra.co.uk

Cintra offers a uniquely customer focused approach combined with a robust, flexible and evolving mix of software and services tailored to meet your organisational requirements. With its broad customer portfolio covering both public and private sectors along with highly trained, experienced and motivated staff, Cintra offers the natural choice for Payroll and HR solutions in the UK. If you are looking for a long term partnership where solutions, in-sourced or out-sourced, are tailored to your individual needs with no hidden costs why not give Cintra a call, the friendly face of Payroll and HR.

CIPHR
Abbey House, 28-32 Chapel Street, Marlow, Bucks. SL7 1DD
Tel: 01628 814 242
Email: sales@ciphr.com
Website: www.ciphr.com

By choosing CIPHR as your single provider of HR and payroll solutions, you avoid duplication of work and manual data entry, while also improving the accuracy and security of your data. CIPHR's payroll software and outsourced payroll services integrate seamlessly with CIPHR's HR software and are supported by a dedicated team of UK based, qualified payroll professionals and account managers.

Frontier Software
63 Guildford Road, Lightwater, Surrey, GU18 5SA
Tel: 0845 3703210 Contact: Sales Department
Target Employee Range: 50+
Email: sales@frontiersoftware.com
Website: www.frontiersoftware.com

The fully integrated ichris system allows HR and payroll to share all employee information, working in real time from one database, with on-premise or cloud (hosted) options. Flexible and easy to use, ichris automates routine tasks and benefits from an inbuilt report designer for efficient data analysis and a self service interface for on-line payslips and workflow authorisations. Optional modules to manage the employee lifecycle include Recruitment, Onboarding, Learning & Development, Performance Management, Time & Attendance and Expenses Management.

Moorepay Ltd
Lowry Mill, Lees Street, Swinton
Manchester, M27 6DB
Email: sales@moorepay.co.uk
Tel: 0845 184 4615
Website: www.moorepay.co.uk

Our intuitive, integrated HR & Payroll software is designed for UK businesses. You get HMRC & BACs accredited software and access to dedicated UK-based subject matter experts. Our rich functionality includes employee self-service, easy expense & timesheet management, intelligent absence management and rapid recruitment & selection. Founded in 1966, we have 10,000+ customers across the UK and process over half a million payslips every month.

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239 Thorpe Park Rd, Peterborough PE3 6JY
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Website: www.zellis.com

ResourceLink is Zellis' award-winning, integrated payroll and HR solution within Zellis HCM Cloud, designed to fulfil the complex needs of large organisations. As the software of choice for a third of the FTSE 100, ResourceLink pays 5 million employees in the UK and Ireland each month.

ResourceLink manages the end-to-end employee experience, combining our market-leading payroll functionality with core HR administration tools, including onboarding, leave and absence management, performance management, T&A tracking, and more.

PAYROLL BUREAUX

Cintra HR & Payroll Services
Computer House, 353 High Street
Gateshead, Tyne and Wear NE8 1ET
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Contact: Nham Lee Email: sales@cintra.co.uk
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63 Guildford Road, Lightwater, Surrey, GU18 5SA
Tel: 0845 3703210 Contact: Sales Department
Target Employee Range: 50+
Email: sales@frontiersoftware.com
Website: www.frontiersoftware.com

Frontier Software Payroll Services offer a 'process and deliver' bureau option. Simply send employee details and/or payslip information to our processing centre, via the secure portal or encrypted email, and we do the rest. Payroll reports and payslips can either be transferred to you in the same manner, or printed and couriered to a designated office. We send net pay details to your bank for processing. A payslip portal for employee self service access can also be provided. **Trust Frontier Software with your Payroll Processing**

Payroll Business Solutions Ltd
Abbey House, 28 Chapel Street, Marlow,
Bucks, SL7 1DD
Tel: 0203 855 4297 Fax: 020 8551 8861
Contact: Steven Spires Email: sales@payrollbs.co.uk
Website: www.payrollbs.co.uk

Our outsourced service portfolio offers fully managed or bureau services as well as hosted payroll software with Bacs approved payment service.

Our clients benefit from dedicated, individual payroll administrators who are all professionally qualified and experienced. Online payslips and P60s are delivered via 3rd party HR self-service or our own secure portal. We work with all types of organisations, automating and streamlining payroll processes with support for HR, pension and accounting systems interfaces, pension processing administration, payroll costing, client-specific calculations, standard and custom reports, and year-end services.

Useful contacts directory

PAYROLL SOFTWARE

Cintra HR & Payroll Services
Computer House, 353 High Street
Gateshead, Tyne and Wear NE8 1ET
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Contact: Nham Lee Email: sales@cintra.co.uk
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ichris payroll software is tested and recognised by HMRC's PAYE Recognition Scheme and comes with all the core functionality expected of an established provider. Compliant with legislation in all countries of operation, ichris payroll can be provided with fully integrated HR, Time & Attendance Expenses, Vehicle Management and P11D. All payroll parameters can be user defined according to requirements and the system handles calculation and payment of statutory pay. Payslips can be hard copy, email or through employee self service.

Payescape House
18-20 Church St, Ballymoney, Co Antrim, BT53 6DL
Tel: 028 2764 1060
Email: Sales@payescape.com
Website: www.payescape.com

Payescape offers a cloud based payroll solution to companies across all industries in the UK and Ireland. Our software gives you the control to manage your payroll data, whilst having the backup and advice from our CIPP trained staff. They are on hand to help manage auto-enrolment, deal with HMRC and offer payroll guidance. Payescape is one of the fastest growing providers in the UK with a 98% client retention rate, seamless integrations and a 3 ring answer policy.

Moorepay Ltd
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Manchester, M27 6DB
Email: sales@moorepay.co.uk
Tel: 0845 184 4615
Website: www.moorepay.co.uk

Our easy-to-use Payroll software is specifically designed and innovated for UK businesses. While you take care of data-entry and reporting, our software will handle the HMRC legislation, calculations and processing. Our Payroll software solution includes specialist UK-based support, employee self-service, people analytics, and auto enrolment. Founded in 1966, we have 10,000+ customers across the UK and process over half a million payslips every month.

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Intelligo
78 York Street, London, W1H 1DP
Tel: 0208 187 2800
Contact: Martin Sweeney
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An award winning single source for payroll and people services for the UK and Ireland. Trusted by more than 1000 clients, including all the Big 4. Our proprietary technology is designed to offer the best possible user experience to the payroll professional, while ensuring compliance and delivering the actionable insights you need. Run in the cloud, on-premises or in a tailored outsourced model. ISO27001 accredited. Workday Access Partner. Interfaces with leading T&A and Financial applications.

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Tel: 0203 855 4297 Fax: 020 8551 8861
Contact: Steven Spires Email: sales@payrollbs.co.uk
Website: www.payrollbs.co.uk

Accord Payroll is a comprehensive, scalable and configurable system with advanced features that include pension processing and auto-enrolment, holiday pay uplift, salary sacrifice, client-specific calculations, and user reporting tools. We offer both hosted (SaaS) and on-premise solutions which can interface with 3rd party HR, T&A, pension and accounting systems.

Specialised functionality includes support for pension payrolls and schools and colleges (TPS, LGPS). Online payslips, P60s and other documents can be delivered by 3rd party HR systems or our own MyPay portal.

Our software is HMRC-recognised & Microsoft tested. PBS is an ISO 9001 & 27001 certified, GDPR compliant company.

Zellis
239 Thorpe Park Rd, Peterborough PE3 6JY
Tel: 0800 042 0315
Email: tellmemore@zellis.com
Website: www.zellis.com

ResourceLink is the award-winning, best-of-breed payroll solution within Zellis HCM Cloud, designed to fulfil the complex needs of large organisations. As the software of choice for a third of the FTSE 100, ResourceLink pays 5 million employees in the UK and Ireland each month.

With market-leading functionality and over 400 built-in automated checks to deliver exceptional accuracy, efficiency, and compliance, ResourceLink covers all in-country and territory legislation, public sector returns, and COVID-19 measures.

PAYROLL TRAINING AND QUALIFICATIONS

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Tel: 0121 712 1000
Email: info@cipp.org.uk
Website: www.cipp.org.uk

The CIPP has spent the last 40 years leading the education of payroll, pensions and reward professionals, through the delivery of qualifications from level three through to MSc (Level seven) and through a wide range of up-to date, payroll, pension and reward training courses, held throughout the year, utilising a variety of delivery methods.

PAYSLIP DISTRIBUTION AND ARCHIVING

Datagraphic
Ireland Industrial Estate, Adelphi Way, Staveley, Chesterfield S43 3LS
Tel: +44 (0)1246 543000
Contact: Joanne Hawxwell
Email: enquiries@datagraphic.co.uk
Website: www.datagraphic.co.uk

Join over 800 UK organisations who trust our Epay application to connect their workforce to vital payslips, P60s, P45s, reward statements and more. Epay integrates with existing payroll software, enabling you to distribute time-critical employee documents in 2% of the time and achieve a return-on-investment in as little as three months. Connect employees securely to their data around the clock from any internet enabled device with a GDPR compliant application.

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4th Floor, 86-90 Paul Street, London EC2A 4NE
Tel: 020 377 33 277
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website: www.paydashboard.com

PayDashboard integrates with your **existing payroll software** to provide employees with **digital payslips** and documents via a secure online portal. By providing pay data in a digital format, PayDashboard unlocks a wealth of innovation, such as providing your **employee payslips in any language**, complete **mobile optimisation**, employee financial education, benefits and discounts. For payroll bureaux we also offer a **secure document portal** for you to exchange documents and reports securely with your clients. PayDashboard's award winning portal is perfect for both companies running an outsourced bureau service and those managing their internal payroll in-house.

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The Chartered Institute of Payroll Professionals
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Tel: 0121 712 1000
Email: info@cipp.org.uk
Website: www.cipp.org.uk

The CIPP's mission is to lead payroll and pension professionals through education, membership and recognition. This is achieved by elevating the standing of the payroll profession, awarding it the recognition it deserves.

RECRUITMENT AGENCIES

Frazer Jones
95 Queen Victoria Street, London, EC4V 4HN
Tel: 020 7415 2815
Email: FJpayroll@frazerjones.com
Website: www.frazerjones.com

As a result of the growth & development in payroll & payroll complexity we have developed a payroll specialist practice here at Frazer Jones to support our client's recruitment needs.
Frazer Jones is a leading global specialist within search and recruitment, where we are firmly established as a market leader.

Hays Payroll Management
3rd Floor,1 Colmore Square, Birmingham, B4 6AJ
Tel: 0844 778 2376 Fax: 020 7068 5319
Email: helen.livesey@hays.com
Website: www.hays.co.uk

Hays Payroll Management recruits across a range of UK industries and specialises in placing professional experts into payroll jobs. With a national network of offices and expert consultants who have an in-depth knowledge of how the busy payroll environment works, our consultants match the skills and experience of individuals with the most suitable payroll jobs and employers.

James Gray Associates Ltd
4a Parkway, Porters Wood, St Albans, Hertfordshire AL3 6PA
Tel: 01727 800377 Fax: 01727 221220
Email: info@jgarecruitment.com
Website: www.jgarecruitment.com
Twitter: @jgarecruitment

James Gray Associates specialise in Payroll, HR and Reward recruitment, supplying permanent, contract and interim professionals for vacancies across the UK, Europe and Asia. JGA offer a professional, bespoke and responsive recruitment service and are delighted to offer CIPP members 20% discount off standard terms. With 12 years average payroll recruitment experience per consultant and industry leading client servicing and candidate sourcing techniques including social media - JGA recruit better talent faster.

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London EC2M 7LD
Tel: 020 7247 9455 Fax: 020 7256 5421
Email: recruitment@portfoliopayroll.com
Website: www.portfoliopayroll.com

Portfolio Payroll is a **market leader** and the **longest established** payroll recruitment consultancy in the UK. Listed in the **Sunday Times Fast Track 100 twice** in the past **three** years we are the **CIPP's sole preferred supplier**, recruiting **payroll professionals** for **thousands** of companies, across all industry sectors throughout the UK. Our **specialist** consultants provide tailored **permanent, temporary** and **contract recruitment** solutions at all levels of the market, with further divisions providing **executive** and **public sector** recruitment. For all your **payroll recruitment** needs call the **UK's payroll recruitment specialists**

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the chartered institute of payroll professionals
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*as taken from a recent membership survey.

Confessions of a payroll manager - Your Crumbitts needs you!

Another anonymous episode revealing the world of payroll featuring payroll avatar, Penelope Fortham ('Penny'), who is payroll manager at the nation's favourite biscuit makers Crumbitt's Confections.

Every 1 April the payroll team try to fox me with professional sounding but ultimately ludicrous emails detailing new pieces of fake legislation. To be fair, it can be genuinely difficult to separate fact from fiction; tax year end sits close to April Fool's Day so there are real stories available to mix with their 'Penny Pranks'. Last year it was something about adopting cats – imaginatively titled 'Rescue and rebate' clause/claws. And in 2013 I was hoodwinked by the 'Bakers for tax breaks' story – primarily because it involved Mr Crumbitt who had been incredibly convincing in his enthusiasm and support for it. Anyway, primed for the team's usual tomfoolery, I was sure a CIPP email which arrived on 1 April detailing a new piece of legislation offering National Insurance relief for employers who hire armed forces veterans was a Penny Prank.

I waited three days, but absolutely no team mention of the legislation, no whistling of the *Dad's Army* theme on Teams calls, and no "Your country needs you, Penny" at the end of emails. After leaving my *Top Gun* mug in full view of the team during our weekly online chat and nothing being said (no sniggers or giggles), I started to think that maybe it was real. After some research, it turns out that if an individual left the armed forces, even after as little as one day of training, employers wouldn't have to pay NICs for twelve months. Even after some fairly shoddy (I'll admit) mental maths, I realised we were potentially looking at quite a few thousand pounds, which would certainly impress Mr Crumbitt.

At the next team briefing, I announced the change and explained that the qualifying services were the Army, the Royal Air Force and the Royal Navy. As expected – and as ultimate proof that they were definitely not aware of the legislation previously – the team immediately broke into a rendition of In the navy by the Village People.

When things calmed down, we decided to add a question to the new starter onboarding site to capture prior employment for new recruits. However, as we could also claim for anyone who had started in the twelve months prior to the legislation coming into effect, we needed a way to communicate with employees to ask them to come forward. At this point, Mr Crumbitt joined the briefing and he not only offered up a number of stories of past Crumbitt family members who had served but also suggested that it may be quite good to start a staff network for families with forces connections. Naturally, he offered to sponsor the network with supplies of his new 'Rations Rusks' cookies. (You'd have to be a trained marine to have the endurance needed to chew one through to the end!)

The communication went on all of the pay advices that week prompting Sally Gosworth to come forward; she had joined the Crumbitt's new product team having previously been in the army designing clothing for the soldiers. She also said she would speak to Frank Drake who had joined having retired early from the navy. Word spread (which is amazing considering so many of the workforce still do so much from home), and by the end of the week six people had come forward along with many others keen to join the new network. (They weren't even put off by the promise of Rations Rusks.)

At the first network meeting – with rusks dispatched to home workers and an untouched plateful in the centre of the desk for those in the factory that day – Mr Crumbitt gave a presentation detailing his family history in the Forces. We were all totally engrossed after just a few minutes, and not a little emotional by the end. As we drank our cups of tea and came up with increasingly creative ways of refusing 'Rations Rusks' without upsetting Mr Crumbitt – who we now loved even more than we had at the start of the meeting – I realised that this was going to be a really good network and again the power of word of mouth was coming good. Most importantly, I calculated that the legislation would save around £25k in NICs over the next twelve months.

As a payroll professional you have to keep up to date at all times as there are always changes occurring. Some of them may not only have financial savings attached but, like this one, also present an opportunity to bring people together not just as work colleagues but as people with similar interests or backgrounds. Oh, and the Penny Prank this year was a box of delicious looking chocolate covered cookies…but even a thick coating of chocolate does nothing to elevate a Rations Rusk! ❑

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