

# PROFESSIONAL

*in Payroll, Pensions & Reward*

Issue 56  
December 2019 - January 2020

## *Managing staff*



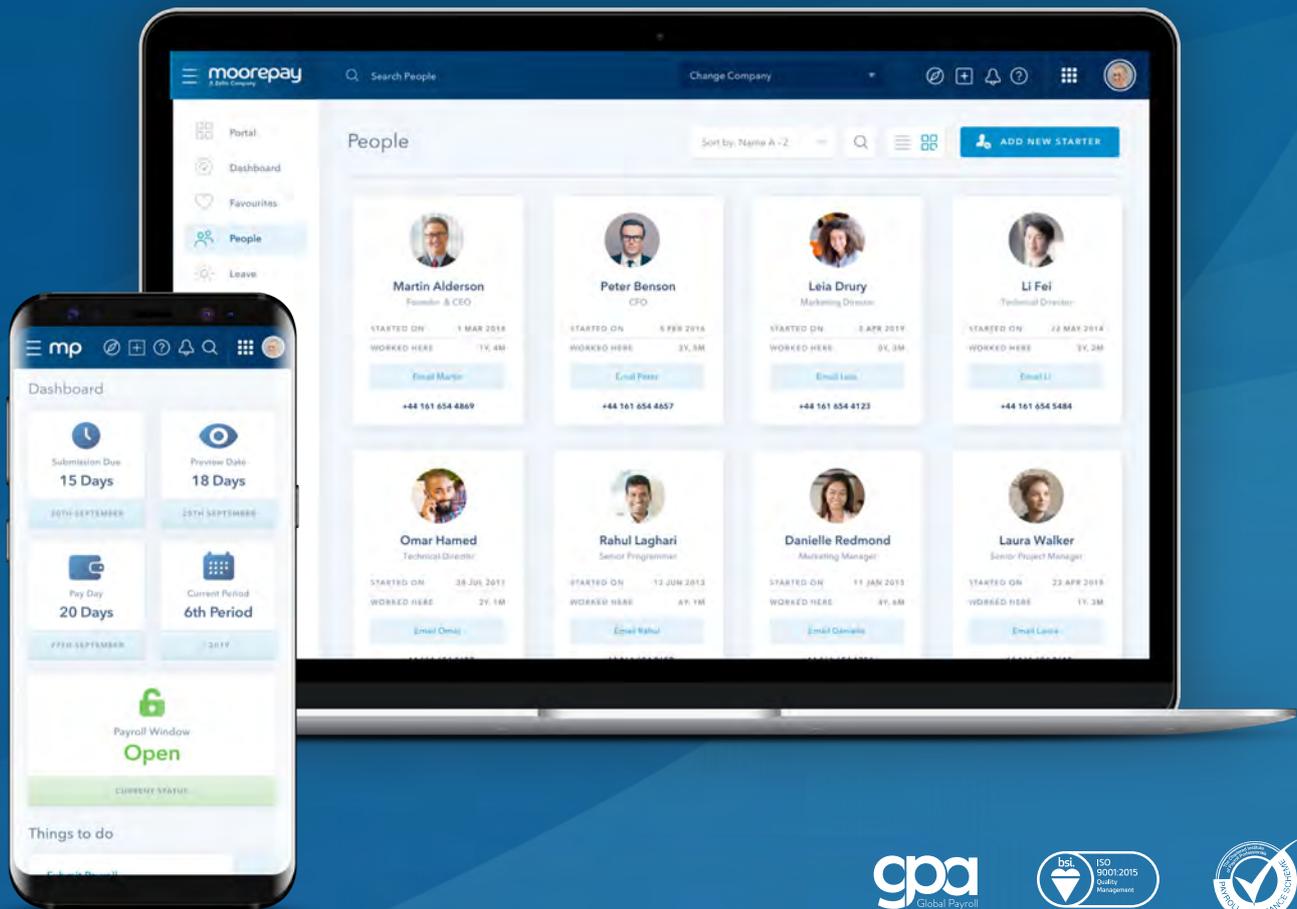
***We need to talk  
about IR35***  
Matchup

***My first time***  
Catching fire

***Working round  
the clock?***  
Burnout



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## Editor's comment

Writing my comment piece is always the moment I perceive the issue's content in entirety, a time to reflect on the scope of the articles and their relevance. I think you will all find something of interest and application in this issue.

The articles on this issue's feature topic of managing staff (pp 37–41) are important reads, as are Jason's comments below on the topic.

My intention (and hope) is to establish 'My first time' (see pp 9–11) as a regular feature, but this needs your help, please. The concept is that the occasion of being involved for the first time in a software implementation project is highly memorable, defining, and hopefully enjoyable. I would be delighted to receive an offer of an

article on your first time.

This is also the annual moment to extend my thanks to all those at the CIPP and beyond, without whose support and input production of the magazine would be impossible. Particularly meriting of my appreciation are the designers Nicole Davis and James Bartlett, the policy team for their continual supply of great articles, and Olivia Parkes (and colleagues) for timely delivery of in-house content.

I wish you all a great festive season.

**Mike Nicholas MCIPP AMBCS** ([editor@cipp.org.uk](mailto:editor@cipp.org.uk))  
*Editor*



## Chair's message

The role of the manager is one many aspire to as they develop their career, with some then moving to leader as a natural evolution. It should not be underestimated just how challenging the role can be, but it can also be incredibly rewarding to see others flourish and blossom. A manager needs to be a role model and recognise that they will be asked for opinion, direction, thought and input throughout their day. A good manager helps to nurture staff by empowering them and ensuring they seek solutions to problems faced, and so come not just armed with an issue but with potential resolutions. That approach to teaching is one I learned very early in my career and is highlighted in the proverb: 'Give a man a fish and you feed him for a day, teach a man to fish and you feed him for life.'

Being consistent with team members is hugely important and remembering to always be objective to the individual. Handling absence issues, time and attendance must be consistent and fair and be done as close to the issue occurring as possible for the individual to understand why they are being addressed. Just as rewarding good performance and saying thank you should happen regularly throughout work, so should addressing any issue that is

detrimental to the performance of the business. Acting in a timely manner, quickly and explaining thoroughly why an action is taking place helps the individual understand how their actions positively or negatively impact the workplace. This hopefully brings about the change required. Unleashing potential in staff is often to do with understanding them and ensuring they understand you more. Someone working for you may have a boundless number of roles outside of work. What can you do to ensure that creativity and extra energy is brought into the workplace, to make that as satisfying an environment as outside?

So many systems today provide great data to support performance reviews and to gain insight into predictive behaviours; analysing available data is another source of information to today's manager.

I hope you enjoy all the articles within this period's publication; and, as always, feel free to get in touch.

**Jason Davenport MCIPP MIoD** ([jason.davenport3@cipp.org.uk](mailto:jason.davenport3@cipp.org.uk))  
*Chair, CIPP*



## CEO's message

Hopefully you're all preparing for a break over the forthcoming festive period. Just the small matter of ensuring everybody gets paid accurately and especially timely before the holidays. HMRC has given notice that the temporary easement on reporting PAYE information in real time, introduced last year, has now been made permanent. This means that if you do pay early over the Christmas period, you should report your normal (or contractual) payday as the payment date in the full payment submission and ensure that it is submitted on or before this date.

The CIPP's Graduation Ceremony was held at the Symphony Hall, Birmingham on 8 November. Every year it's my personal delight to see payroll and pension professionals – surrounded by friends and family celebrating – recognised for their success as worthy holders of a qualification that represents an industry benchmark. Well done to all.

Our award-winning Annual Conference and Exhibition and our Annual Excellence Awards ceremony at the Celtic Manor Resort just

keeps getting bigger and better. The numerous compliments received by the CIPP include several that the CIPP had "professionalised the profession". I know personally that the exhibitors, sponsors, members and awards attendees felt we'd certainly done our profession justice. Excellence in our industry was also duly rewarded and Hugh Dennis made an excellent host for the evening.

We also celebrated this year the two-year anniversary of Chartered membership for those meeting the necessary criteria. Congratulations to the successful applicants who have made a real step forward for our industry. It's been a pleasure meeting many of you during the year at specially convened Chartered dinners.

Finally, on behalf of all the staff and board here at CIPP, I wish you all a well-deserved break over the Christmas and New Year period. May it be spent with family, friends and loved ones.

**Ken Pullar FCIPP** ([ken.pullar@cipp.org.uk](mailto:ken.pullar@cipp.org.uk))  
*Chief executive officer, CIPP*



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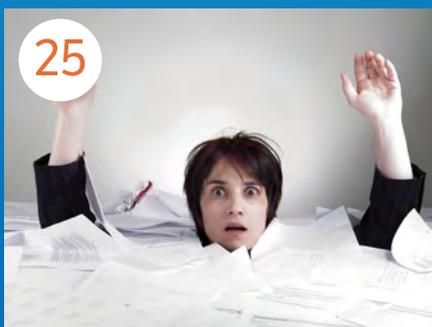
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On your  
behalf

## UPDATE

## Policy team update

**The CIPP policy team** review 2019, the consultations and the forums, and reminds the profession of the role they play in informing, advising and influencing policy

What a year it has been – as a team we are aware we say this every year. But 2019 has seen us respond to a wide range of consultations on subjects that focus primarily on the employee – increasingly referred to as a worker – and associated worker rights.

#### NMW (and NLW)

As we approached Christmas 2018, the government launched a number of consultations (Ebenezer Scrooge would have been proud at this approach to the festive break). The one which really caught our eye was the consultation published by the Department for Business, Energy & Industrial Strategy (BEIS). This was on the subject of the national minimum wage (NMW), specifically as it relates to salaried workers and salary sacrifice – which are issues that have resulted in employers being ‘named and shamed’ by BEIS (well, at least prior to its suspension whilst its effectiveness is reviewed).

In November, the Low Pay Commission (LPC) published two reports on the future of the NMW (<http://bit.ly/36AoLKC>). These had been preceded when Bryan Sanderson, chair of the LPC, wrote in September to the BEIS secretary of state with the recommendation that the age at which a worker becomes eligible for the national living wage (NLW) be reduced in stages from 25 to 21. The chancellor of the exchequer confirmed agreement and his intention to deliver “so that it applies to those aged 23 and over from 2021, and to those aged 21 and over within five years.”

You may recall that mention was made in the November issue that a meeting was

to be held between BEIS, HM Revenue & Customs (HMRC) and stakeholders to discuss policy and enforcement of the NMW.

*...key issues  
such as salaried  
workers,  
unmeasured work  
and deductions  
from pay,  
including for  
Christmas clubs  
and uniforms*

HMRC views the CIPP as a key stakeholder when considering NMW, and regularly consults with us on NMW issues. However, with BEIS responsible for NMW policy but HMRC responsible for its enforcement, the CIPP, along with other stakeholders, has long felt that the most effective form of consultation for NMW would be a meeting which brings key stakeholders together. So, we were very pleased when our calls were recently answered, and a meeting was held between the various parties.

Constructive discussions were had around several key issues such as salaried workers, unmeasured work and deductions from pay, including for Christmas clubs and uniforms.

At the time of writing we were about to enter ‘purdah’ ahead of the general election and therefore will need to wait until a new government is established before any

decisions can be made on how or whether any of these issues will be addressed. We remain hopeful however that the rules and guidance around these and other issues will be simplified.

We continue to remain optimistic that the meeting of BEIS, HMRC and key stakeholders wasn’t just a ‘flash in the pan’ but will form the basis of a regular forum going forward. (Yes, we do believe in Christmas miracles.)

Other themes under the spotlight of consultation this year will, if delivered, bring about:

- improved worker rights
- greater employer transparency
- improved employer compliance.

#### Other consultations

The policy team aren’t able to respond to every consultation, as resources (or Christmas miracles) do not stretch that far. However, we have been able to respond to several during 2019, including:

- ethnicity pay reporting
- extending redundancy protection for women and new parents
- off payroll working rules in the private sector
- Employment Allowance (Excluded Persons) Regulations
- proposals to reduce ill-health related job loss
- neonatal leave and pay
- proposal for a single enforcement body
- measures to address one-sided flexibility.

#### Consultation forums

You may be aware that CIPP follows a process to ensure we deliver the views

of our members and, by virtue of our Chartered status, also the views of the wider profession. How we achieve that is through the medium of:

● **Surveys** – We know it must feel like we bombard you with surveys sometimes, but there really is strength in numbers. When we submit a consultation response, we don't reflect the opinions of the policy team, we say what our members and the wider payroll profession tell us. The more that you tell us, the more credible our argument is, and the bigger the impact it will have. So, please do spare time if you can to complete as many of our surveys as possible – it is your opportunity to help influence and shape the policies that affect what you do every day in your profession.

● **Policy Think Tanks** – These roundtable events are a benefit for Full, Fellow and Chartered members. They are meetings limited to around twenty people, which are attended by policy leaders from the relevant government departments, who are interested in exploring issues with those who physically put the policies into practice.

The Think Tanks are a chance for HMRC, the Department for Work and

Pensions, BEIS, HM Treasury, the Low Pay Commission, and others, to explore issues and understand the impact various policies or proposed policy changes can, and may have, on those who work in the industry.

### ...issues that could have a wider impact on the payroll profession as a whole, or on particular sections or segments

You can, and do, influence government thinking and there is a real opportunity to affect change going forward through these meetings.

A consultation forum is usually held every three months or so and allows attendees to discuss issues arising in a specific arena. For example, HMRC holds a quarterly forum for statutory payments, student loans, issues affecting agents, IR35 and all things off-payroll, and another covering all payroll topics, namely the Employment and Payroll

Group.

The forums are attended by key stakeholders such as the CIPP policy team who bring issues to the table to be discussed.

Are there any issues you would like us to take up on your behalf? We welcome your discussion points; but just a health warning: individual cases aren't discussed, just those issues that could have a wider impact on the payroll profession as a whole, or on particular sections or segments.

#### Thank you

Please keep your questions, comments and issues coming by emailing them to [policy@cipp.org.uk](mailto:policy@cipp.org.uk).

Thank you for all of the contributions that you have sent our way during 2019, whether in person, as we have had a record number of attendees at Think Tank events this year, but also in the surveys and through email. We know the surveys can occasionally be lengthy and your time is valuable – we appreciate you sharing it with us.

Wishing you a very happy, healthy and relaxing festive period and a prosperous 2020 – let us continue to work together to effect change. ■

## Remember your membership benefits

# BENEFITS!



#### CIPP's policy hub

[cipp.org.uk/ph](http://cipp.org.uk/ph)

Within the policy hub you will find details of the consultations that we attend on your behalf and *Policy: need to know* – basically, everything that you need to keep your payroll legislative knowledge up to date and to provide feedback on proposed changes.

The policy hub is maintained by the CIPP's policy and research team who strive to serve the needs of our members, and the wider payroll profession, by acting as a conduit via which concerns can be heard and addressed. The policy and research team offers the payroll profession an opportunity to have a combined voice and shape the future of the payroll profession.

#### Devolution: payroll legislation matrix

[cipp.org.uk/dpl](http://cipp.org.uk/dpl)

The *Devolution: payroll legislation matrix* contains relevant payroll legislation as it relates individually to the four nations of the UK. The subjects are categorised where necessary and in alphabetical order.

It is intended to be a guide, not a definitive list and is a document that will keep changing as new regulations supersede existing ones and new guidance is produced.

#### CIPP EU exit (Brexit) factsheet

[cipp.org.uk/bf](http://cipp.org.uk/bf)

Whilst there are still a lot of unknowns, and things change almost daily, there are some known facts relating to the EU exit

and we have summarised them within our *CIPP EU exit (Brexit) factsheet*.





## Advisory

### Advisory Service

is available 9a.m. to 5p.m. Mondays to Thursdays, and 9a.m. to 4.30p.m. on Fridays\*. Call **0121 712 1099**, email [advisory.service@cipp.org.uk](mailto:advisory.service@cipp.org.uk) or visit [cipp.org.uk](http://cipp.org.uk) to live chat.

*\*please see summary at [cippmembership.org.uk](http://cippmembership.org.uk) for details.*

**Q:** We have an employee who relocated in 2018 and was given a hire car for the period February–August 2018. The car was reported via a P11D return, but I have now been advised by his line manager that this was part of his relocation package so should not have been reported to HM Revenue & Customs (HMRC). Can you please advise?

**A:** The cost of a hire car, solely for the use of relocation, could be covered in the statutory £8,000 relocation exemption. However, you would need to be sure that the car is only used as detailed in HMRC's guidance (<http://bit.ly/2WQ1uQs>). For the exemption to apply, the following must be met.

"If the employee or a member of his or her family or household is not already provided with a car or van available for private use (see EIM23300) and a car or van is then provided solely for travel in respect of:

- eligible travel and subsistence for the employee (see EIM03113)
- eligible travel and subsistence for the employee's family or household (see EIM03114)
- continuity of education for child (see EIM03115)

the benefit charge arising from that provision can be covered by the removals exemption if it is within the £8,000 limit. The same applies to the fuel benefit charge in such circumstances.

Note that this rule is 'all or nothing'. If the car or van is available for any private use other than eligible relocation travel in the tax year in which it is provided for the move the benefit charge(s) will apply

in full following the normal rules and no part can be treated as eligible removal benefits."

This would mean that a condition that the car is given must be that no private use is undertaken in the vehicle. It would be advisable that within the terms for the car being given, it is noted that private use is not permitted for the exemption to apply. If this isn't monitored or can not be proven that it has been solely used inline with the conditions for exemption, you would need to report the full costs of providing the vehicle via a P11D return.

**Q:** I would like some advice on salary sacrifice for buying annual leave and whether this is a taxable benefit in kind?

**A:** HMRC have stated that allowing employees to purchase additional annual leave via a salary exchange/sacrifice is perceived as helping employees to maintain a good work/life balance and that there is nothing to report regarding salary sacrifice or optional remuneration arrangements. The purchasing of additional annual leave is classed as an intangible benefit in kind.

**Q:** A new employee has indicated in their starter declaration that they have a student loan plan 1 and 2. Which plan should we operate, or do I apply both?

**A:** It is possible that an employee could possibly have two types of student loan plans; however, you should process the deductions using the default student loan deduction thresholds as dictated under plan 1. You would not apply two separate deductions on the payroll for plans 1 and

2, as the rule is to default to Plan 1 in this situation.

**Q:** We are planning on registering to payroll benefits in kind for the first time ready for April 2020. The benefits we payroll attract class 1A NICs. Are these NICs collected via the payroll?

**A:** Even though the tax is collected via the payroll, the class 1A NICs are not and you will still have to send a P11Db return following the end of the tax year. Your payroll system should be able to produce a report at the end of the tax year to give you a value for your class 1A NICs liability.

**Q:** I have an employee who is due to go on to statutory maternity leave (SML) and has advised us that she has a secondary employment. She qualifies for statutory maternity pay (SMP) with us and also with the other employer. She has asked to curtail her maternity leave with us at week 20 to commence shared parental leave. If she was to do this, how would it affect her SMP with the second employer?

**A:** For statutory shared parental leave and/or pay (SSHPL/SSHPP) to be created, the mother must give both employers who are liable to give her SML/SMP notice at the same time. This means that the employee must curtail her SMP/SML in both employments. If the criteria are met in both employments for SSHPL/SSHPP the employee will be entitled to have two sets of SSHPL/SSHPP. In both circumstances, the parents have up to 52 weeks from the birth of the baby to take the SSHPL/SSHPP.

**Q:** Our organisation has their automatic re-enrolment date happening in the next pay period. Several employees do not qualify for re-enrolment when assessing their earnings over a full year because their annual earnings are below the £10,000 earnings threshold. Should I look at the earnings on a monthly basis, or use and annual earnings figures for re-enrolment purposes?

**A:** When assessing an employee for re-enrolment you should use the earnings in the pay period that includes the re-enrolment date. You do not average it out over a longer period, and you do not use the annual earnings over the year. If in the month of re-enrolment, they meet the criteria to be auto-enrolled then you must enrol the employee in a qualifying pension

scheme, remembering the employee does have the option to opt out.

**Q:** In our company some of our employees have loans that have been written off, which means they must now be reported in a P11D return. Do these loans attract class 1 or class 1A NICs and will this impact on the apprenticeship levy?

**A:** When these loans are written off, they will attract class 1 NICs and therefore this will have an impact on the apprenticeship levy. For example, a loan of £11,000 is written off in January and the employee earns £1,000 per month. What the employer has to do is add the £11,000 as a nominal amount to the £1,000 (but not physically pay the employee any more money) so that class 1 NICs would be calculated on £12,000 instead of £1,000. The employee would pay class 1 NICs on £12,000 and that would then impact the total pay bill for the apprenticeship levy.

**Q:** Has the format of a National Insurance number (NINo) changed at all?

**A:** The format of the NINo has not changed. It still consists of two letters at the beginning of the NINo, then six numbers and lastly one letter.

Letters which will not be used for either of the prefix letters are D, F, I, Q, U and V; and O is not used as the second letter. Prefixes BG, GB, KN, NT, TN, and ZZ will not be used. The suffix letter relates to when contributions were recorded on cards, which were returned annually but with the letter indicating which quarter the return was to be made. Suffix letter 'A' cards were sent in March, 'B' cards in June, 'C' cards in September, and 'D' cards were returned in December.

**Q:** We operate six different pay as you earn (PAYE) schemes under the one group. What percentage of SMP can we claim back? Is it calculated per PAYE entity or as a whole group?

**A:** If a sole owner has more than one business, and each operates its own PAYE scheme, you have to look at the individual circumstances and decide if you can treat them as separate businesses. You need to consider whether:

- the staff are recruited by each business
- the staff are interchangeable between

the businesses

- each business has its own bank account, and
- each business has its own set of accounts, for example, if one business failed would it directly affect the viability of the others.

If the answers to these questions indicate that they are separate businesses, then the owner would need to total the class 1 NICs liability in the qualifying tax year for each business to see if they qualified for small employer relief (SER) at 103%.

Alternatively, if the answers indicate that each business is an integral part of the employer's trade as a whole, then the employer may be less likely to qualify for SER. This is because they would need to calculate the total class 1 NICs liability in the qualifying tax year for all the businesses.

**Q:** An employee left employment in September and was processed as a leaver on the last pay run. A form P45 was sent as standard practice. Unfortunately, we were not advised at the time that the person was due outstanding holiday pay. Can you advise how we would process this payment?

**A:** This would be classed as a payment after leaving. The employee's tax code should be amended to 0T and class 1 National Insurance contributions (NICs) would be applied on a weekly basis as holiday pay is seen as an irregular payment. Remember that you would not change the employee's leave date or any other field other than the tax code and a further P45 should not be reissued. ■



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Need clarity and confidence on how to process the P11D?

# P11D, expenses and benefits

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CAREER DEVELOPMENT INSIGHT



## Diary of a student...



### Gillian Fox

*Global payroll manager,  
Cambridge University Press*

#### Can you give an insight into your career and qualifications background?

I did not start out in payroll. I fell into payroll after joining Cambridge University Press back in 2014. I originally worked in pensions running a defined benefit pensioner payroll but moved into employee payroll after a year. After joining the payroll team, I discovered that I really enjoyed working in payroll and have been there ever since.

#### Which course did you study and why did you choose it?

I decided to do the Foundation Degree in Payroll Management. I chose this course as it enabled me to progress with my chosen career in payroll.

#### Did the fact that the CIPP is Chartered or recognised within the industry influence your decision to enrol with the CIPP?

Though the main driver for choosing the CIPP was my manager who has the same qualification with CIPP, the reputation of the Institute within the industry was also a factor as my current and any future employer would recognise the qualification.

#### How important is this degree in relation to your future career?

It has enabled me to move forward with my career from payroll administrator to global payroll manager giving me the tools and knowledge I needed.

#### How did you cope with work-life balance and study?

It was a challenge as I was pregnant while doing year 2 and working full-time; and then had a newborn to look after while doing year 3.

Without the support of my manager Olivia Dunham and husband it would have been a lot harder. With their support and by using the resources provided by CIPP and attending all tutorials and module review days I succeeded in graduating.

#### Was the course what you expected?

It was what I expected – and more. It didn't just concentrate on payroll but also managing a team, project management and marketing from a payroll point of view enabling me to move forward in my career with a solid foundation.

#### How did you manage to incorporate studying into your routine?

With the help of my manager we created a detailed study plan. Although it required a big commitment, following the plan removed the stress and enabled me to ensure that I was keeping on track with my studies.

#### For someone who is thinking about studying for a CIPP qualification, what would your advice be to them?

Do it! It is a big commitment but so worth it. ■



# SOFTWARE IMPLEMENTATION

## My first time

**Ian Hodson MSc ChMCIPDip, head of reward / deputy director of human resources, University of Lincoln, remembers his participation in a payroll software implementation project – recalling the suffering and the pleasure**



Every good payroll manager has had two experiences they have survived. Firstly, that they have managed to retrieve the impossible and get out of the sticky situation of a BACS failure. Secondly, that they have been through a major system implementation and lived to tell the tale. I am fortunate – or unfortunate – to have been through both.

I remember the first time we undertook a major system implementation. But let's not forget what had gone before just to get to this point: twelve months of meetings, moaning, business cases, costing proposals, tenders, presentations, contract negotiations etc.

Nobody ever really wants to change the payroll system. It is one of the few times payroll actually gets respected by the senior leadership team who get nervous at the fact that the monthly cycle we live in leaves very little time for change. It is always quite 'funny' how at every other event payroll's operation is sometimes dismissed as not that technical or difficult.

The case on this occasion was simple but probably one of the most common

that you see. The in-house payroll system had been developed over time to keep it just about compliant, but this was increasingly difficult as legislation became more and more complex. What was worse was that other systems in the business had moved on to being based on more modern operating systems, which meant that there were only a couple of individuals who still had the knowledge to support the payroll application. In itself this was a risk.

**...in-house payroll system had been developed over time to keep it just about compliant...**

The old system was also struggling to keep pace with the changing ways of delivering payroll. It was a long way from offering any employee self-service and it seemed paper payslips were becoming a dated way for people to access their information. The options were ultimately to

keep tinkering with what we had, or to be bold and brave and face starting all over again but with the promise that it could set the team up for the foreseeable future.

The big aspect that you don't always realise is that when you align yourself to a major new supplier you are actually buying in to a very different relationship. We would move from a system where change occurred only when you decided it was needed, to one where we received constantly information about a new release and mandatory patches that we had to take. You suddenly realise when looking at the impact the change will have on the team, that to get the most out of the system and deal with some of the terms that get thrown up including – server load balancing, sql coding and the formidable codeburst – you really need somebody by your side to offer interpretation skills.

One of my abiding memories is our very first meeting with the system. We had assembled a team of eight 'super users' from the department who we decided would go on an intensive training programme to get to know the ins and outs of an integrated human resources

and payroll system and to be the experts. Although we all went into the training room with excitement and enthusiasm, I remember at the very first break everybody sitting in the coffee area in stony silence. It was like we had been hit with a whirlwind of change and the fun had left the room.

The modern systems are beasts that offer to do everything from your sickness absence, to leave management, to appraisals, to case management, to international payroll, to equal pay audit... it goes on. It actually felt like receiving a full set of encyclopaedias for Christmas and after only an hour being expected to answer questions on any matter. Not going to happen.

In hindsight what you learn is that all of this functionality is possible, but first you have to set it up. A little like before cooking a fine meal allowing for going to the shops to get some ingredients.

We sat through day after day of training without it ever really getting easier and with the team having to reassure themselves that it would be ok. Suddenly the looming cloud of being able to set up the system, parallel run and get people paid seemed to be ominously hovering above our heads.

As the training continued, back at the office we started to get the data ready for uploading. Who would have thought we had this much data? It was like clearing out the attic or moving home – the challenge as ever is what to leave behind. Your natural instinct is to try to take everything but then you realise that the chances are you don't really need it and bringing all that past data with you is really complicated as it doesn't map directly to the data fields in the new system.

We fundamentally decided that what

we needed was a clean start and it would be a mistake to have our system build dictated by trying to squeeze in the format of the old one. We also realised how much time it would take that while wanting to focus on exploring the exciting functions of self-serve we could spend too much time on data manipulation. Our option in the end was to archive the old legacy system and to gradually turn it off as the data became no longer needed for enquiries.

*...the real skill was to be able to absorb the knowledge and recall the parts that you do need*

As we carried on with our system build there seemed to be some enlightening moments when we suddenly realised that much of the super-user training that had made us feel so nervous was actually not needed, and the real skill was to be able to absorb the knowledge and recall the parts that we do need. A little like when you buy a car and they show you what lots of buttons do on the dashboard even though you won't use the features on a daily basis.

We started to build different modules with our rules in the background. On starting the process of testing, particularly the parallel running of payslips, everything feels a little more familiar – or whether there is a right or wrong answer, rather than not knowing if areas were set up correctly.

It is surprising how quickly parallel

running trains you for using the system. You soon stop having to think which menu an option is on and instead start clicking through the drop-down options and setting up your favourites like it is second nature.

It is also often quite enlightening during parallel running when you realise it was actually the old system that was doing the calculations incorrectly or when you have to try to understand exactly how the system had been working to replicate it. The joy of hitting the recalculation button and the net pay matching always gives a sense of hope; there were a few 'tricky' employees where it took a little longer while we worked out how to get their pay to match.

I am a big believer in trying to time an implementation with the commencement of the new tax year. Bringing over year to date totals and passing the baton mid tax year is never the best idea if it can be avoided – and a month-1 launch means that you start at a zero base. It also gives you a little more time to work on closing the tax year on the old familiar system when time is tight as you know there will also be a big commitment in time with setting up month-1 payroll on the new system.

That first month of processing on the new system is always a little bit of an energy rush. Lots of the team asking how to do things, lots of others shouting out their thoughts, and the occasional tears between the hysterical laughter. Being a manager in these situations is never easy. You are expected to be the positive messenger for everyone and calm down the operations to 'business as normal'; however, inside you are feeling more nervous than the team as to how this is ever going to work out.

I always remember the words of one of my earlier managers: "walk slowly and smile" – in other words, there is no panic and we are all having a good time. Sometimes easier said than done.

Implementations also seem to come in phases. No sooner do you start celebrating that the payroll data has all been uploaded and input then you move on to the next challenge of processing the first BACS, running the real time information returns and then, worst of all, the nominal ledger interface.

The problem with setting up this interface is primarily that you are dependent on some other colleagues to



actually know what they are looking for.

It is only a giant journal of debits and credits that have to balance to zero, but because the way it's set up depends on the finance system and internal operations it all takes a lot of time to agree a way forward. Our first nominal interface from the new payroll involved a number of uploading and reversal operations where transactions would not process or we had historic extra lines written to our old internal process which nobody seemed able to understand or change. The parallel running of the nominal ledger between the old and new systems and revisiting the setup of the pay elements to work out what was happening, was one of the most time-consuming tasks in the implementation process that we really underestimated. By the time we had got it right we were well in to the second month of processing and nominal two was run just a few days after nominal one.

The most important learnings from my first system implementation was about the knowledge building. Don't be worried about all the information being thrown at you as you won't need it all; instead, spread the knowledge out amongst many.

One of the mistakes from implementation is to create a single point of failure that stops you from being self-sufficient. I also learnt that you need to have technical knowledge in the team and really transition the skills base of the team from data entry to optimisation roles in order to maximise the system.

You also have to remember that often the reason you need to upgrade the system is that you haven't done anything to optimise it so you're off the pace and out of step. I always make sure that every time we have a new release we are looking at what has changed and which features are available to see how we could use it.

So, I lived to tell the tale of my first system implementation and of course the nature of payroll is that you get very little time to take stock and celebrate before you set off into 'business as normal'. Looking back I wish we had taken more time to celebrate what we had achieved as it really is a monumental team effort to migrate to a new system. Of course, like all good reward professionals I now find myself actually looking forward to a new system launch as once you have learnt the process they are one of the most exciting pieces of work to get involved in – and experience goes a long way! ■

**Your first time**

Do you recall your first time – implementing a payroll system, that is? It's a great and career formative experience, one which lingers long in the memory.

The editor invites you to supply copy of up to 2,400 words providing an account of your first time so that readers will enjoy and relate to – and learn from – your experience. Please email [editor@cipp.org.uk](mailto:editor@cipp.org.uk) to confirm.

Another example can be found online here at <http://bit.ly/2IRROtU>.

*...I wish we had taken more time to celebrate what we had achieved as it really is a monumental team effort...*

# Hear from the experts at our national forums

Exclusive to CIPP members\*, the national forums are a perfect opportunity to hear from the policy team, as well as other key speakers on developments in payroll, pension and reward legislation. This event will also provide an excellent chance for you to network with other CIPP members.

**Available dates:**

30 January (am)	Newcastle	4 March (pm)	Bristol	18 March (pm)	Birmingham
6 February (pm)	Manchester	5 March (am)	Cardiff	19 March (am)	Webinar
13 February (pm)	Belfast	11 March (pm)	London		
27 February (pm)	Edinburgh	12 March (am)	London		

Thanks to our national forum sponsors:

Newcastle



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\*applicable levels of membership only. Please be aware that lunch will not be provided.

Book online at [cipp.org.uk/events](http://cipp.org.uk/events), email [events@cipp.org.uk](mailto:events@cipp.org.uk) or call 0121 712 1013 for more information.



# Employers failing to reduce commuting stress

**Catherine Diamond, director of human resources at Moneybarn, discusses research findings and the issues**



An employee's commute experience has traditionally fallen outside the responsibilities of an employer, but the tide seems to be turning.

There's a growing body of evidence (<http://bit.ly/32qsBCN>) to show the detrimental effect that long and stressful commutes are having on the health and productivity of the workforce, leading more and more employers to consider what adjustments and options they can offer staff to help ease the strain.

Only recently a debate began over whether commuting time should be counted as part of the working day (<http://bit.ly/2NujxbR>), given many employees now use their smartphone and better wi-fi connectivity on public transport to complete work tasks on their way into or home from work.

So, is it time for more employers to sit up and take note of the commuting experiences of their employees and offer more support?

An employee's commuting experience can vary greatly to the next. To find out more, Moneybarn recently conducted a survey of 2,000 full-time workers in the UK.

According to respondents, the average UK 'working day' is around eleven hours including time spent commuting, with people leaving home at 07.17 and returning home at 17.48. The amount of time per day spent commuting is 62 minutes, with 15% of workers commuting for 102 minutes or more. 23 miles is the average round trip, with 14% of commuters travelling over 42 miles a day.

Workers in London have the UK's longest and slowest commutes of all, travelling at just 14 miles per hour (mph), despite paying some of the highest prices for fuel and monthly season tickets for public transport. In comparison, commuters in the east of England travel over double the distance per hour (29mph) and workers in Wales and the south west spend the least amount of

time getting to and from work (48 and 49 minutes respectively).

When it comes to delays, commuters in the south east and the south west are the most likely to experience travel delays daily; workers in Northern Ireland and Scotland the least likely.

Surprisingly, 57% of workers surveyed aren't offered anything by their employer to make commuting easier.

## **...average UK 'working day' is around eleven hours ...**

For employers wanting to lead the way in supporting staff to maintain a healthy work-life balance and benefit from having a productive, satisfied and loyal workforce, there are many options available, ranging from small adjustments to larger investments.

Flexible working is becoming an increasingly popular offering, allowing employees to stagger their start and finish times to avoid peak commuting hours (usually between the hours of 7-9am and 5-7pm).

Every employee has the legal right to request flexible working from their employer; however, only 21% of UK workers surveyed said they have been offered flexible working hours.

Employers in the east midlands and the east of England are the least likely to offer flexible working opportunities (15% and 16% respectively), whereas 37% of employers in Northern Ireland are the most likely to allow staff to adapt their working hours, followed by employers in London (32%) and Yorkshire and the Humber (21%).

Working from home can also help employees avoid the stress of commuting

altogether. Businesses in the south east are leading the way, but only 16% currently offer this. In comparison, only 6% of employees in Wales are able to work from home.

Another important factor in commuting experience and overall work-life satisfaction is the cost of getting to and from work. In fact, according to Moneybarn's survey results, workers on average pay out 11% of their monthly income on getting to and from work. Sixty people surveyed spend over 40%, and 41 spend over 50% of their salary on commuting.

Employers in London are the most likely to give workers financial support to ease the burden of high commuting costs, with 30% offering season ticket loans and 13% subsidised transport. However, it seems despite these efforts, commuting is still unaffordable for many in the capital, with a recent study (<http://bit.ly/2WUamVn>) revealing 60% of London's workers have skipped work to save money on their travel costs.

When looking at the UK as a whole, only 10.6% of employees are offered season ticket loans and just 5.7% can take advantage of subsidised transport.

All in all, the findings of Moneybarn's new commuting survey highlight that while some employees are being offered support to help reduce the stress of commuting and the negative impact it has on both their personal and job satisfaction, more can certainly be done.

As employers it's important to pay close attention to the impact commuting is having on staff and take action to recognise this as part of health and wellbeing strategies. Offerings such as more flexible working arrangements to avoid rush hour or work from home, car share schemes and subsidised transport costs are becoming increasingly valued by workers and could help businesses attract and retain the best talent. ■



## Continuing professional development

It is essential that all payroll, pension and reward professionals are kept up to date with the continuous changes in the industry

Logging your continuing professional development (CPD) allows you to keep track of learning and development that you have completed and to tailor your future developments based on you and your organisation's goals.

CPD works best when it has a purpose and the CIPP logging tool relies on you setting your own learning objectives to log your activities against. You will need to have at least one learning objective set before you can log any CPD.

### Recording your CPD activities

To make the process as easy as possible, we have provided pre-set CPD categories and activities. Virtually all types of CPD will fit into one of the six categories below.

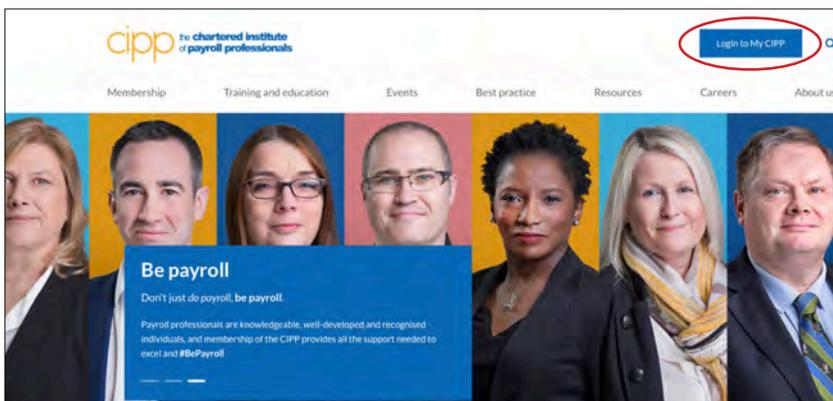
- **Writing** – To create written material that would involve research and preparation to assess data and identify information.
- **Reading** – To read material that reviews or offers new information that expands the individual's understanding or knowledge.
- **Speaking** – To present information verbally to others, which has required either learning of the material or research to prepare and analyse information in

a manner that will be effective for that presentation.

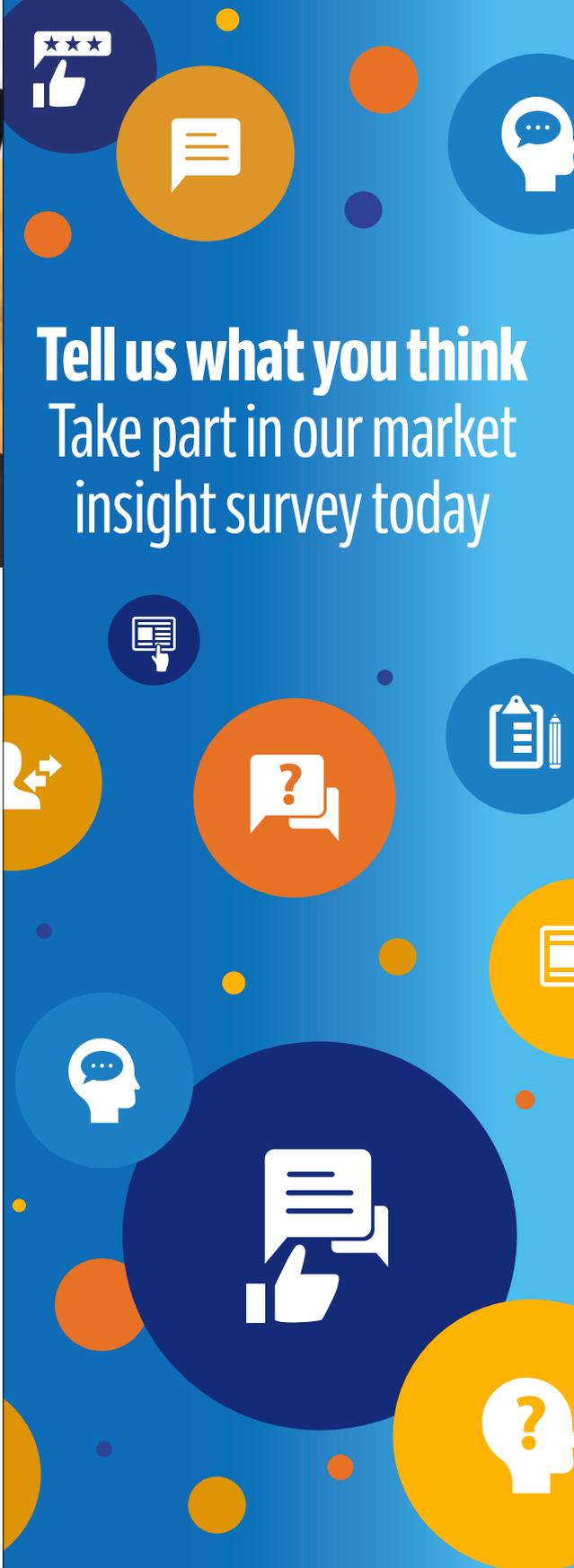
- **Listening** – To pay notice to the comments being offered by others on professionally related topics where information is new or developing personal understanding or experience.
- **Doing** – To undertake a role where there is opportunity to learn new activities or experiences.
- **Structured learning (as a student)** – To follow a training programme by either attending one or a series of events or to participate by distance learning, studying a specific topic. The experience could be based at the workplace, at a specified location or with online study even at home. It must be a payroll, pensions, rewards or professional course. ■

If you have any questions regarding logging your CPD then head over to the CIPP website and to find the FAQ's page or contact us via [membership@cipp.org.uk](mailto:membership@cipp.org.uk) with any queries you have.

To log your CPD, head over to 'My CIPP' through our website at [www.cipp.org.uk/mycipp](http://www.cipp.org.uk/mycipp)



Tell us what you think  
Take part in our market insight survey today



For more information:

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- Email [info@cipp.org.uk](mailto:info@cipp.org.uk)
- Call: 0121 712 1000
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**Movers**

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## PAYCIRCLE HIRES BARRY MATTHEWS

CLOUD-BASED PAYROLL provider, Paycircle, has hired industry heavyweight, Barry Matthews, as bureau strategy partner. His role is to promote the benefits of Paycircle to bureaus and accountancy firms around the UK and help with integration at a practical level.

Matthews, who is one of the most recognised figures in the payroll industry, joins the company after fifteen successful years at Star Payroll (now IRIS Payroll Professional following acquisition in 2018). Known for his forensic knowledge of the sector, no-punches pulled presentations, LinkedIn posts, and broader thought-leadership, he regularly hosts industry panels and events.

Barry commented that: "Paycircle is in a league of its own. It's ultra-intuitive to use, enables bureaus and accountancy firms to completely reposition their service, makes scaling up easy and injects a whole new colour and energy into an area that has traditionally been neglected.

"This technology empowers payroll professionals like never before and embeds them in the heart of their clients' businesses. Paycircle have reinvented the entire payroll process and dragged it kicking and screaming into the 21st century."

Catherine Pinkney, co-founder Paycircle, said: "With more and more accountancy and bureau businesses understanding how new automation technology and collaborative working can drive efficiencies and make scalability effortless, payroll is rapidly transitioning from ugly duck to golden goose.

"We will soon be announcing some major client wins and Barry is helping us to further accelerate the growth in our market share."



## CO-FOUNDER OF PENSIONSINC MOVES ON

WILL LOVEGROVE, who co-founded pensionsync in 2015, has moved on from Systemsync Solutions (see Industry News, page 36) and is now head of technology transfer at the University of Surrey.

In September 2019, Will wrote to CIPP's chief executive officer Ken Pullar, saying: "I wanted to write and thank you, and your colleagues at the CIPP, for the support you gave to pensionsync over the past few years.

"The CIPP's lifetime achievement award was one of the standout highlights of my tenure.

"Adoption of pensionsync proved to be much harder than I could have anticipated. Looking back, the software engineering was the simple part. Asking payroll and pension professionals to modernise the way they worked was much harder.

"You may have read recently that I've been invited by the Money and Pension Service to join their 'pension dashboard steering committee'. This will give me an opportunity to continue to help improve pension outcomes for the public. I think the workplace (and so therefore HR and payroll) has some kind of role to play in the roll-out of the pensions dashboard. The workplace is after all how many millions of new savers first engage with their pensions (via automatic enrolment)."



## ACTIVPAYROLL APPOINTS KIMBERLY MORRISON

GLOBAL PAYROLL and tax compliance specialist, activpayroll, which is headquartered in Aberdeen, Scotland, has appointed Kimberley Morrison as payroll operation manager – Middle East – for its new office in Dubai, United Arab Emirates (UAE).

Kimberly has been a member of the activpayroll team for over ten years working in both the USA and the UK before relocating to Dubai to take up her role. Her team consists of ten payroll specialists.

Sian Odgers, business services director of activpayroll, said: "Kimberly has been a respected member of the activpayroll team for a long time and has obviously played a key role in establishing the UAE operations."

Kimberly commented: "Having worked at activpayroll for over ten years, I was thrilled to be given the opportunity to establish the UAE operational hub. We have worked hard to ensure we have a great team of payroll specialists and look forward to supporting both existing and new customers delivering a high level of service and support."



## HMRC APPOINT JIM HARRA

IN OCTOBER 2019, Jim Harra was appointed as HM Revenue & Customs' (HMRC) new chief executive and first permanent secretary, succeeding Sir Jonathan Thompson. Harra had covered the position on an interim basis.

Jim has worked for HMRC for more than thirty years, rising through the ranks from initially being an inspector of taxes in 1984 to holding senior director-level positions before taking on the role of director general for business tax in 2012.



# CIPP update

## Payroll Assurance Scheme

THE CIPP is pleased to announce that seven organisations have successfully achieved the prestigious Payroll Assurance Scheme (PAS) accreditation. They are:

- Sherwood Forest Hospitals NHS Foundation Trust
- CGI IT UK Ltd
- DB Cargo (UK) Limited
- West Midlands Fire Service
- Gap Personnel
- Norse Group
- National Assembly for Wales

Ken Pullar, CIPP chief executive officer, said: "We are thrilled that so many organisations have embarked on the journey to achieve this respected accreditation. It is imperative that organisations comply with government legislation and the Payroll Assurance Scheme is designed to help companies do just that."

Visit [cipp.org.uk/PAS](http://cipp.org.uk/PAS) or email [info@cipp.org.uk](mailto:info@cipp.org.uk) to find out more about the Payroll Assurance Scheme.



## Our magazines will now be distributed in a fully recyclable wrap

WITH THE ever-growing urgency and concern for our environment, we have been looking at how we can do more to aid efforts and reduce our non-recyclable waste.

Earlier this year we removed plastic water bottles from our Annual Conference and Exhibition; instead we provided every delegate, speaker and exhibitor with their own CIPP water bottle. This prevented thousands of plastic bottles from being thrown away after use.

Since then, we have been reviewing what else we can change which will make an impact. Something we identified was how we send out our magazines, using a plastic polysynthetic wrap for postage. We knew there had to be a more environmentally friendly way to send our members our magazine and the CIPP is pleased to say we found one.

You will now receive your magazine in a fully compostable potato starch wrap, meaning this can be disposed of within home composting bins or, where accepted by local authorities, into food waste recycling or your green bin.

Considering that we send more than 40,000 copies of our magazine each year, we're sure you can all agree this is a significant step forward, not only for the CIPP but our environment too.



*Water bottle distributed at Annual Conference to reduce plastic waste*

## We are seeking your views

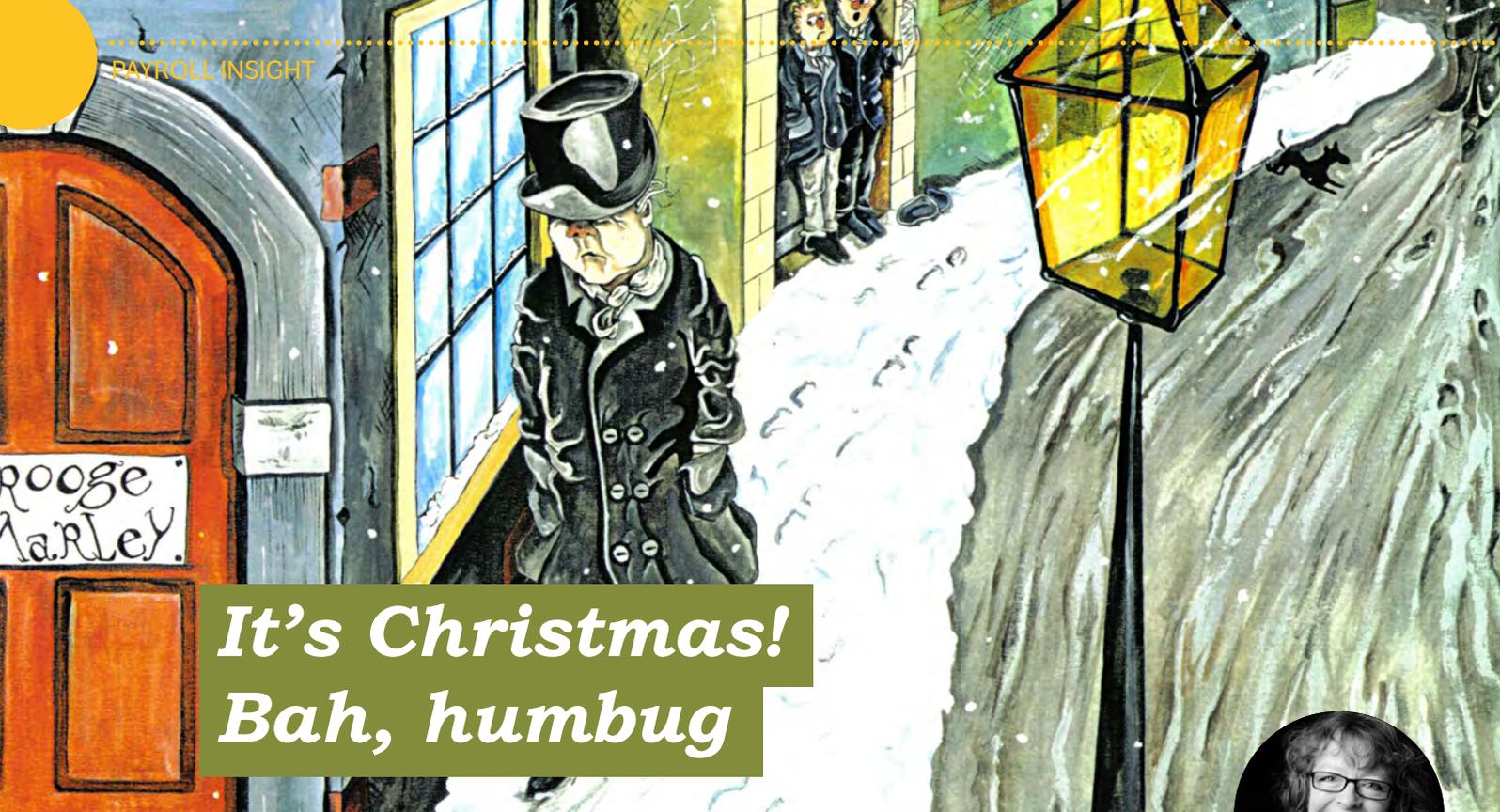
THE INSTITUTE strives to ensure that we are providing relevant and valuable services to our members, students, customers and the payroll profession. As such we are asking for 15–30 minutes of your time to complete our annual market insight survey.

You can complete the survey online at [cipp.org.uk/MIS](http://cipp.org.uk/MIS).

As a thank you, you'll be entered into a prize draw for a 2019 Apple iPad Air.

The survey represents an excellent opportunity to tell us what you think. Your feedback will help us to consider further how we are operating and ensure that we are delivering services that continue to support you and the profession.

Thank you in advance for your participation and support in moving the Institute forward.



## It's Christmas! Bah, humbug



**Samantha Mann CIPP MAAT MCIPPdip, CIPP senior policy and research officer**, discusses various aspects, particularly early pay days

In Charles Dickens' *A Christmas carol*, Ebenezer Scrooge says: "What's Christmas time to you but a time for paying bills without money; a time for finding yourself a year older, but not an hour richer?"

Whether this resonates with you, let's consider the impact that earlier payments can have on the benefits system, on the cash flow of employees, and on the scheduling to accommodate processing in December.

### Payroll cut-off dates

Whether you deliver your payroll services in-house or to external clients as an outsource provider you will have a cut-off point beyond which you will not be able to accept further changes. Everyone has a different cut-off – there is no hard-and-fast rule.

In December it is common practice for employers to consider requests for an early pay day to help employees plan for Christmas. Factors for supporting such a request can include:

- the normal pay day date
- the impact of bank holidays on payment schedule e.g. BACS
- company or payroll department close-down dates
- company cash flow (this can be an issue particularly in times of austerity)
- custom and practice
- company ethos regarding employee

financial management.

Conversely you may use the services of an outsourced provider and find yourself applying their chosen processing dates. Do those dates suit you and your employees, and would you prefer a later date?

### ...common practice for employers to consider requests for an early pay day...

Good communication is key to ensuring that any alteration to the usual process is made known to all affected parties, especially employees, who may experience a delay in receiving payment for overtime or extra shifts as a result of an earlier processing cut-off date.

### On or before

The introduction of real time information (RTI) was hailed to be one of the biggest changes to the income tax pay as you earn (PAYE) process since its introduction in 1944. The mantra at the time was (and continues to be) that the FPS (full payment submission) must be made on or before the date that the employee is paid.

The October 2019 edition of the *Employer Bulletin* (<http://bit.ly/2VTxNNP>) once again highlighted the action that should be taken in the event that the contractual pay day falls on a non-working day. The date to be used in the FPS must be the normal (contractual) pay date and not the date when the payment is made, even where the payment is being made earlier (or later) because of the impact of a non-working day. By 'non-working day' I mean a weekend or bank holiday.

The piece reiterates the guidance that can be found at section 1.8 of the *Employer further guide to PAYE and National Insurance contributions* (<http://bit.ly/2GrBbcq>). It is critical that the employer uses the correct pay date.

### Universal credit (UC)

The driver to the delivery of RTI, so we were told at the time, was to enable the successful delivery of a 'flagship benefits system' otherwise referred to as universal credit (UC).

Delay, and more delay, has dogged the roll out of UC which has resulted in much criticism of this system. However, by far the biggest area of concern is the impact that early payments can have on the eligibility and payment of UC.

The basis of a UC-claim is the monthly assessment period set by the Department for Work and Pensions (DWP). Four times a day DWP systems communicate

with HM Revenue & Customs' (HMRC's) systems to gather earnings data of claimants. Where data is found that falls within the claimant's assessment period it is used to assess whether a UC payment should be made in full, be adjusted, or cease if the amount exceeds the UC earnings threshold.

The risk of this happening increases where the employer uses the incorrect payment date in the FPS, but this 'double bubble' occurrence will happen routinely throughout the year where an employee's pay period is two-weekly or four-weekly.

The impact this has on UC claimants is significant as it threatens the working tax credit element and the housing benefit element.

In the case *R (on the application of Johnson and others) v Secretary of state for work and pensions* (<http://bit.ly/32s2XNY>) the interpretation of the regulations by DWP was ruled to be wrong. Where a double payment appears in the same claim period but relates to two separate assessment months it is within the gift of DWP to make an adjustment.

### Employee financial awareness

The Low Income Tax Reform Group (LITRG) has written extensively on this subject and provide excellent information (<http://bit.ly/34CQfNR>) and signposting that can provide help to claimants who find themselves affected.

Not all employees claim UC, but the excitement of Christmas can leave many counting the days until the January pay day arrives. Employers can help their employees in several ways that include:

- providing advice and support to educate employees on budgeting and financial management
- not paying any earlier than the non-banking days enforce – thus minimising the weeks between December and January pay days
- considering requests for advances to reduce the risk of employees giving in to temptation and obtaining 'pay day loans' that are advertised daily across our TV networks.

At the time of writing, another advert is being run with the motto 'pay day = save day' and I am sure this has resulted in many employers turning to their payroll teams to ask "what can we do to encourage our employees to save?"

We welcomed 2019 with shocking headlines (first reported in *The Times*) that the retailer Iceland planned to fight HMRC over their accusation of an alleged underpayment of national minimum wage (NMW) of £21,000,000 which came about largely due to Iceland's operation of a voluntary employee saving scheme. Described as "just madness" by Iceland's chief executive officer this headline highlighted the importance of obtaining accurate advice before entering into a similar scheme.

## ...providing advice and support to educate employees on budgeting and financial management...

Debate and concern continue on this and many other areas of uncertainty surrounding HMRC NMW findings, but we'll leave that increasingly uncertain subject for another day.

### Festive quick polls

Our quick polls are run throughout the year to gather indicators of views at the time. Our Christmas polls are a little more 'tongue in cheek' to recognise the festive air that permeates December.

In the run up to Christmas 2018, the CIPP policy team ran a series of polls in a bid to build a picture of employer Christmas traditions (and attitudes) together with employee expectations of their employer's festive generosity. The 2018 results were interesting and provided an opportunity to compare how we may sit alongside our peers. (Thank you to everyone who responded.) Here are the results.

### "God bless us, every one!"

The results of our 2018 poll provide me with a shameless opportunity to quote Tiny Tim, taken from my favourite Christmas story – *A Christmas carol*.

Whilst the image and views of a miserly Ebenezer Scrooge may spring to mind, I prefer to close with the image of the reformed employer who welcomed Christmas day with the words "I'll raise your salary, and endeavour to assist your struggling family."

We can't all have employers who welcome Christmas day in the same way... but we can but hope. ■

### Are the tax and NIC costs of your seasonal reward scheme a factor in your decision making?

Yes – 22%  
No – 15%  
No, but we recognise it should be – 58%  
Not applicable, we don't provide – 58%

### Does your employer cover the full cost of the staff Christmas party?

Yes, in full – 49%  
No, cover part – 18%  
No, pay nothing – 33%

### What do you use your Christmas gift to do within your workplace?

To say thank you – 41%  
To inspire – 2%  
To engage – 5%  
Nothing, it is just expected – 7%  
Not applicable, we don't provide – 45%

### How will your employer process the value of your seasonal gift?

PAYE settlement agreement – 18%  
Will fall within trivial benefit rules – 29%  
P11D reporting – 5%  
Payrolling – 8%  
Not applicable – 40%

### What personality type is your employer at Christmas time?

Ebenezer Scrooge – 33%  
Bob Cratchit – 5%  
Father Christmas – 31%  
Naughty Elf – 5%  
The Snowman – 8%  
The Grinch – 18%

### What will you be expecting from your employer this Christmas?

Non-cash voucher – 4%  
Turkey – 1%  
Chocolates/biscuits – 4%  
Hamper (food and/or drink) – 5%  
Cash bonus/voucher – 4%  
Annual party/other experience – 35%  
Unlimited generosity (budget allowing) – 1%  
Nothing (bah humbug) – 46%

# Termination payments, etc

**Duncan Groves, director and head of employment taxes at PSTAX,** outlines the impending rules for class 1A liabilities, and provides an update on two other issues



## Class 1A NICs

On 16 October, HM Revenue & Customs (HMRC) published a consultation on the draft Social Security (Contributions) (Amendment No. X) Regulations 2020 (<http://bit.ly/2WThO2X>).

The consultation seeks views on the new rules relating to the payment and reporting of class 1A National Insurance contributions (NICs) on termination awards and sporting testimonials through real time information (RTI).

As has become common under recent governments, the 'consultation' should be more accurately described as 'recognition' or 'contemplation' as the legislation has been fully drafted and is ready to become law once laid before parliament. Given the uncontentious nature of the changes being introduced, we would not expect any opposition within parliament, regardless of the composition of the House of Commons following the general election.

Alongside the draft legislation mentioned above, the National Insurance Contributions (Termination Awards and Sporting Testimonials) Act 2019 (<http://bit.ly/2pOtle0>) has simultaneously confirmed that class 1A NICs will be payable for a tax year on a termination award that counts as employment income and is chargeable to income tax by virtue of section 403 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA), but is not earnings upon which class 1 NICs arise. In layman's terms, this means that, where an employer makes a genuine termination payment of an amount greater than £30,000, then there

will be, from 6 April 2020, an obligation to deduct and account for class 1A NICs in addition to income tax on the excess. Unlike the payment of current class 1A NICs liabilities which are paid and reported after the end of the tax year in which they arose, the new class 1A NICs will be subject to RTI legislative provisions, at least insofar as they relate to cash or cash equivalent termination awards.

## *...an obligation to deduct and account for class 1A NICs in addition to income tax on the excess*

In respect of termination awards which include benefits in kind, the provisions will also apply but the payment and reporting requirements will mirror the current class 1A NICs provisions. For example, where a car is provided to an employee after termination, the annual class 1A NICs payment and reporting provisions will apply to the new class 1A NICs liability, since these liabilities can only be determined after the accompanying tax liability has been determined.

Termination 'packages' can, of course, contain numerous elements. Employers will need to know which elements first count towards the £30,000 exemption, in order to correctly account for the class 1A NICs

liabilities due. Therefore, the legislation sets out the 'order' in which the £30,000 exemption should be 'allocated' as follows:

1. the cash benefit
2. any benefit consisting of an asset where ownership has been transferred to the employee, and
3. any other benefit consisting of an asset made available to the employee without any transfer of ownership.

A notable inclusion within the new legislation, although less relevant to the public sector, is the change in relation to sporting testimonials, whereby class 1A NICs will be payable for a tax year in respect of general earnings received by an earner (professional sportsperson) which consist of a sporting testimonial payment to the earner by the 'controller' of a sporting testimonial committee. Both of the changes are due to take effect from 6 April 2020.

Aside from the potential payroll software implications of these changes, we envisage that most public bodies will find compliance straightforward. The most important issue for employers will be the planning necessary to avoid unwelcome additional costs associated with termination of employment. For example, where employees are expecting to leave on or around the beginning of April 2020, and their termination payments/benefits are likely to exceed £30,000, there will be obvious savings to be achieved through expediting processes and avoiding the 6 April 2020 trigger date.

In case readers wish to comment on the proposed legislative changes, it should be

noted that the consultation closes on 16 January 2020.

### PENP update

Moving to a related subject, there is an interesting postscript to the previous legislative change affecting termination payments, namely the post-employment notice pay (PENP) provisions, which were introduced with effect from 6 April 2018.

In cases where an employee is paid by twelve equal monthly instalments, but the employee's notice period is expressed in days or weeks, the formula prescribing the calculation of PENP for termination awards gives differing results depending on when in the year the notice is given. This is because the provisions require the use of the number of days in the pay period immediately preceding the trigger event i.e. the resignation/giving of notice. For a monthly-paid employee, the number of days could therefore be 28, 29, 30 or 31.

HMRC has recently acknowledged this anomalous position and has described a non-statutory-based solution within its October *Employer Bulletin* (<http://bit.ly/2VTxNNP>). It advises that, where applicable, the following alternative

calculation may be used.

Where:

- the last pay period of the employee relevant to the PENP calculation is a month, and
- the employee's salary is paid by twelve equal monthly instalments, but
- the employee's notice is expressed to be a whole number of days or weeks, employers may substitute 30.42 (being  $365 \div 12$ ) as the value of 'P' in the PENP calculation, where this is to the advantage of the employee.

**...recently acknowledged this anomalous position and has described a non-statutory-based solution...**

By way of working examples, please see the PENP calculations below. Please note that, in these examples, we have

treated the number of days of unworked notice as 42 and assumed basic pay (BP) is £3,000 per month. The examples show the difference in the amount subject to tax/NICs depending on the number of days within the relevant month. It can be seen that use of the 30.42 average days in a calendar month is advantageous other than where the formula applies the 31-day month.

$£3,000 \times 42 \div 31 = £4,064.51$

$£3,000 \times 42 \div 30.42 = £4,142.01$

$£3,000 \times 42 \div 30 = £4,200$

$£3,000 \times 42 \div 28 = £4,500$

### Public sector exit cap

Finally, since no public sector article on termination would be complete without such a reference, we can advise that there is still no news following the consultation on the public sector exit cap earlier in the year. Unlike the changes covered above, these proposals are hugely controversial and political. In the current environment and with the general election requiring 'purdah', it is hard to envisage any change actually happening in the foreseeable future. Never has the expression 'No news means good news' been more pertinent! ■

## 'P60 error' mislead taxpayer

A First-tier Tribunal (Tax) has refused the taxpayer's appeal against a penalty assessment of £694.15 imposed by HM Revenue & Customs (HMRC) for a prompted deliberate inaccuracy in his tax return for the tax year ending 5 April 2017 (*Ringo Scheithauer v Commissioners for HMRC* <http://bit.ly/32LqF84>). The penalty was obtained by multiplying the potential lost tax revenue of £4,627.73 by 15% (the minimum penalty), reflecting HMRC's view of how much assistance the appellant gave in the enquiry.

In November 2017, HMRC opened an enquiry into the appellant's 2016/17 self-assessment return. HMRC established that

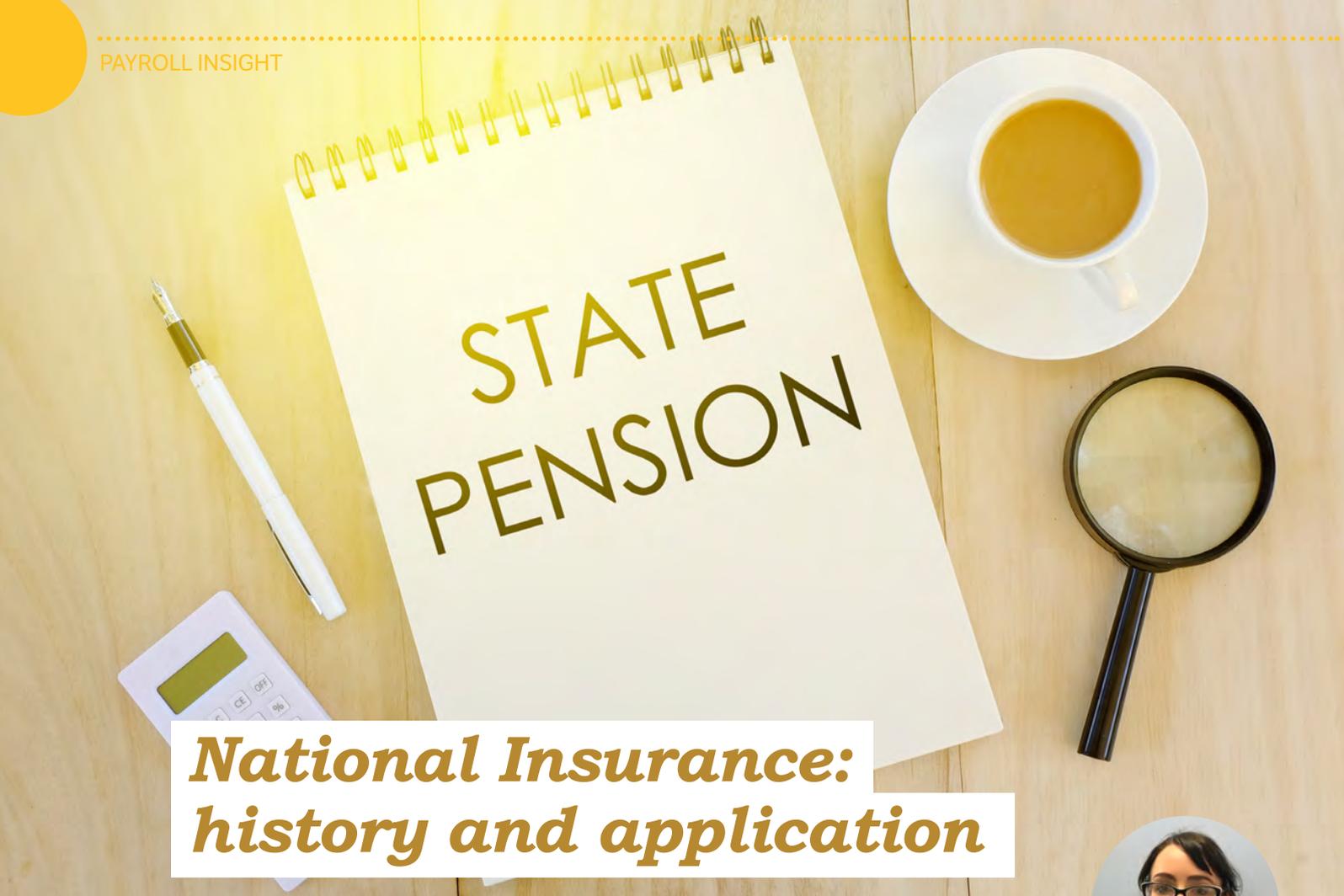
the figure shown in the return – taxable pay of £167,605.48 – was only part of the total income. He had additionally received £139,116.92 income from Dunhill Pontefract PLC for the period 5 April to September, along with employment benefits of £6,699 which had not been included in the tax return.

Although the appellant agreed the figures of income and benefits in kind, he stated that he had only repeated the figures shown in the P60 certificate and that he could not understand why the employer did not include all of his pay.

However, the reason the P60 certificate did not include earnings from April to August 2016 was because in September

2016 payroll arrangements were moved in-house, whereas previously these had been outsourced to external accountants. In consequence, the appellant's pay as you earn reference changed from '567/VZ 53163' to '567/A6283'. The form P45 which Dunhill received from the accountants had the appellant on a month one basis tax code throughout the period April to August 2016 and therefore the earnings were not included.

HMRC concluded in its review that the appellant did not take reasonable care when making his 2016/17 self-assessment return and as such the penalty was issued in accordance with the legislation. ■



# STATE PENSION

## *National Insurance: history and application*

**Lora Murphy ACIPP, CIPP senior policy liaison officer,** reveals details of this employment and welfare keystone



Along with PAYE (pay as you earn) and pension deductions, National Insurance (NI) is another key deduction element that the majority of workers are accustomed to seeing on their payslips on a regular basis. Although we may moan and grumble about the detriment to the net pay that we eventually receive, it is important to remember that NI was implemented as a form of protection against times of hardship, and still acts in that fashion, even over a century after its initial introduction. It affects most of us at some point or, indeed, throughout our working lives but also extends into our retirement as the state pension is predominantly funded by 'live' NI contributions (NICs).

Given its prevalence within modern society, it seemed appropriate to study its origins and history, to explore the various classes of NICs and, most interestingly, to investigate how the NI fund is spent, and which classes contribute to which benefits.

### **A brief history**

The National Insurance Act 1911 formed the basis of NI as we know it today, albeit

on a considerably different basis. The fundamentals, however, remain unchanged, as both employees and employers have always had to pay NICs and the NI Fund always granted employees entitlement to certain benefits. Currently, employee and employer contributions are submitted electronically through the employer's real time submissions to HM Revenue & Customs (HMRC), with payment of the due amounts made later by the employer. Historically, however, employers were expected to buy the relevant stamps at the post office and attach them to contribution cards on behalf of their employees. It was an entirely manual process as opposed to the technological treatment of NICs that we observe within payroll departments today.

***...state pension is predominantly funded by 'live' NI contributions...***

There were two individual schemes at that point in time, one dealing with

health and pension benefits and the other associated with unemployment benefit. The former was run by trusted societies and unions whilst the latter was a scheme controlled solely by the government. This soon changed with the arrival of the 'welfare state' in 1948, which heralded the homogenisation of the separate stamps resulting in one singular stamp to cover all benefits.

Things did not remain that simple, as they never do in the payroll sphere, and in 1975 the stamps became redundant as contributions were no longer paid at a blanket flat rate that was applicable to all. Instead, NICs were calculated based on the level of earnings an individual received and were collected via PAYE, at the same time as income tax. The NICs of this era were much more in line with how we treat and process it today, in stark contrast with how it initially originated all those years ago.

### **Categories and classes**

We are currently immersed in a society where there are not only a multitude of different NI classes to observe, but also

a plethora of varying categories because somebody, somewhere obviously thought that payrollers' lives were just far too easy. It is important to recognise the monumental differences between a NI category and a NI class as they dictate completely different things, and it is also imperative to remember that NI categories only apply to class 1 NICs.

The categories are associated primarily with age but there are also exceptions for apprentices, those who are already paying NICs in a separate job and for married women and widows who have an entitlement to pay lower NICs rates. Each category dictates both employee and employer percentage rates for individuals placed within scope. The standard NI category, applied to most employees, is 'A'. The NICs categories as they currently stand can be found in Table 1. (The range of NICs categories can be viewed here: <http://bit.ly/2CqjwiS>.)

NI classes are a different beast altogether and are concerned with the employment status of an individual, their earning levels and their continuous NI record.

Payrollers would probably be most familiar with class 1 NICs which are those deducted via PAYE for earnings that exceed the lower earnings limit within a pay period. If you are classified as employed, these are the deductions that you will observe on your payslip.

Class 2 and class 4 NICs correlate with the self-employed: class 2 is based on individual earnings and class 4 is profits related. To ensure consistency both have thresholds attached to them, below which no NICs are due. Class 2 and class NICs are usually paid via self-assessment which the self-employed individual is responsible for.

Classes 1A and 1B are associated with employee benefits (P11D returns) and are paid across by employers.

Class 3 NICs are voluntary contributions that a person may make to complete their NI record to ensure that they are eligible for certain benefits.

How NICs are spent is wholly dependent on the class that they have been sourced from. Table 2 highlights the differences across the board. (Further

information can be found here: <http://bit.ly/2PYkURS>.)

Figures from the most recent National Insurance Fund Account report reveal how much was collected by class in the year ending March 2018.

### **...monumental differences between a NI category and a NI class as they dictate completely different things...**

It is important to note that the figures in Table 3 have been collated independently of the National Health Service (NHS) allocation and shows the figures once the deduction has already been made.

#### **The application of NICs**

Since inception, the NI Fund has operated on a pay-as-you-go basis. Thus, NICs received during a fiscal year pay for certain state benefits arising in-year.

A pre-determined portion of NICs is paid across to the NHS and the remaining monies are intended to be utilised exclusively for the pensions and benefits listed in Table 2. However, if there is a surplus in the NI Fund, the government may borrow money intermittently to assist with various projects.

The fund can also be accessed in order to invest into the Debt Management Account. This will come as a shock to some, as there is a common misconception that NI is used to pay for police officers' salaries or for hospital appointments and for all other expenditures of that nature but there are other government schemes in place that allocate funds for this. But, even now, consistent with what it was first introduced for at conception, NI is largely used for pension and benefit payments.

The National Insurance Fund (NIF) is where all NICs related payments are held. The concept is that this fund holds ample capital to cope with the natural fluctuations to contributions and deductions that occur

over time. It is particularly important that the fund holds sufficient funds to handle any periods in which significant pay outs must be made; for example, in the case of periods of high unemployment rates, where employment and support allowance figures will escalate. However, where payment figures exceed deductions, the additional funds get transferred to the National Insurance Fund Investment Account (NIFIA) and, conversely, when deductions exceed payments, the NIF takes from the Investment Account. The NIFIA is in existence to assist in the event of a deficit in the NIF.

The simple reality of the situation in relation to NI is that we can never predict with 100% certainty how much will be generated annually and we can never guarantee what the bill for pensions and various benefit payments will be. So, this is a two-pronged issue for predictions and estimations surrounding the likely status of the NIF and its figures.

#### **Commentary**

Although only a brief overview of NI, this article demonstrates how payroll contributes to the essential funding of a wide array of government policies. It also highlights how NI acts as a form of insurance for contributors and, indeed, wider society, as it's effectively a saving towards state pension and also to benefits that, realistically, any individual could find themselves needing access to at some point in their lives.

It is impressive that what NI was originally set up to do has been maintained, although somewhat amended, and that the changing landscapes of society have not altered the foundations of NI completely. With the constantly evolving face of politics and perpetual changes to day to day life, it will be interesting to see the direction that NI takes in the future, so how it will change and adapt to slot in with new policies and technological advancements that are most definitely arriving over the next years and decades to come. ■



### **...contributes to the essential funding of a wide array of government policies**

Table 1

Category letter	Employee group
A	All employees apart from those in groups B, C, J, H, M and Z in this table
B	Married women and widows entitled to reduced National Insurance
C	Employees over the State Pension age
J	Employees who can defer National Insurance because they're already paying it in another job
H	Apprentice under 25
M	Employees under 21
Z	Employees under 21 who can defer National Insurance because they're already paying it in another job

Table 2

Benefit	Class 1: employees	Class 2: self-employed	Class 3: voluntary contributions
Basic state pension	Yes	Yes	Yes
Additional state pension	Yes	No	No
New state pension	Yes	Yes	Yes
Contribution-based Jobseeker's Allowance	Yes	No	No
Contribution-based Employment and Support Allowance	Yes	Yes	No
Maternity Allowance	Yes	Yes	No

Table 3

## NICs

For the year ended 31 March

Contributions - estimated breakdown by class

	2018	2017
	£000	£000
Class 1 (employed earners)	97,171,387	92,145,709
Class 1A & 1B	1,298,615	1,227,184
Class 2 (self-employed flat rate)	321,873	400,864
Class 3 (voluntary contributions)	69,102	12,809
Class 3A (voluntary contributions)	40,298	98,784
Class 4 (self-employed earnings related)	2,325,659	1,967,644
	<b>101,226,934</b>	<b>95,852,994</b>

### Payroll data breach

AN APPEAL by Morrisons, the supermarket chain, against data breach compensation claims by over 9,000 individuals was heard in the Supreme Court in early November. The retailer, which was held vicariously liable by initially the High Court and then the Court of Appeal, contends that it is not to blame for the action of a former senior internal auditor who downloaded certain payroll system details of 100,000 employees and posted them online. Morrisons argues that there was not a sufficiently close connection between the former employee's wrongful conduct and what he was employed to do to justify the ruling of vicarious liability. The final decision is expected in 2020. (<http://bit.ly/2NMQLmR>)

### Salary overpayment

A FORMER healthcare worker, who was overpaid by £21,524 in wages over a period of eighteen months from April 2017, has been sentenced by Merthyr Tydfil Crown Court to imprisonment for six months (suspended) and to undertake 180 hours of unpaid work. However, Lauren O'Keefe, a single parent, spent all the money and does not have to make repayment. Sentencing her, the judge said he accepted O'Keefe felt "real remorse" for her actions. (<https://www.cipp.org.uk/nhsop>)

### Employer Bulletin

ISSUE 80 of HM Revenue & Customs' (HMRC's) *Employer Bulletin*, which was published online in October (<http://bit.ly/2VTxNNP>), contains much payroll-related content, including:

- changes for UK employers sending workers to the EU, EEA or Switzerland
- PAYE (pay as you earn) settlement agreements and Welsh rate of income tax
- reporting PAYE information in real time when payments are made early at Christmas
- disguised remuneration – loan charge
- termination payments – employees paid by equal monthly instalments
- changes to PAYE special arrangements for short-term business visitors
- employment allowance reforms – changes to eligibility rules from April 2020
- company car tax regime – new bands for ultra-low emission vehicles from April 2020
- childcare vouchers – unused vouchers, and FAQs
- trivial benefits in kind – clarification
- paying for fitness equipment – pecuniary liability.

HMRC are encouraging more people to sign-up to receive an email alerting them that a new edition of the Bulletin has been published. HMRC's email alert system is no longer tied to a PAYE reference number so there are now no restrictions on who can receive alerts. To sign-up visit <http://bit.ly/2QhZv6j>.

### Basic PAYE Tools development

THE ONLINE user guidance for HMRC's Basic PAYE Tools indicates that from April 2020 functionality for the software to provide payslips will be available to users (<http://bit.ly/33ThX9q>). The software is typically used by small employers with fewer than ten employees but also by those employers using payroll software that does not have functionality to check a new employee's National Insurance number or send an employer payment summary or an earlier year update to satisfy real time information requirements.

### Diary dates

Last day for submitting a RTI employer payment summary to apply to tax month 8 Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by non-electronic method	19 December
Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by electronic method	22 December
Last day of tax month 9	5 January
First day of tax month 10	6 January
Last day for submitting a RTI employer payment summary to apply to tax month 9 Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by non-electronic method	19 January
Due date for returns P46(Car) for quarter to 5 January 2020	2 February
Last day of tax month 10	5 February
Last day of tax month 11	6 February

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# Events Horizon

Full details of events and training courses can be found at [cipp.org.uk](http://cipp.org.uk) or you can email [enquiries@cipp.org.uk](mailto:enquiries@cipp.org.uk) for more information.



## Annual Conference and Exhibition 2020

14–15 October, Celtic Manor, Newport

Bookings for the Annual Conference and Exhibition 2020 open at the end of January 2020 – register your interest now and be one of the first to grab your place for this prestigious event. Email [events@cipp.org.uk](mailto:events@cipp.org.uk) to register your interest.

## National forums 2020

Exclusive to CIPP members\*, the national forums are a perfect opportunity to hear from the policy team, as well as other key speakers, on developments in payroll, pensions and reward legislation. These events also provide an excellent chance for you to network with other CIPP members.

The national forums for 2020 will take place between January to March to ensure we can give you all an update following the budget. Bookings are now open.

*\*applicable levels of membership only. Please be aware that lunch will not be provided.*

*\*dates subject to change.*

Date	Region
30 January (AM)	Newcastle
6 February (PM)	Manchester
13 February (PM)	Belfast
27 February (PM)	Edinburgh
4 March (PM)	Bristol

Date	Region
5 March (AM)	Cardiff
11 March (PM)	London
12 March (AM)	London
18 March (PM)	Birmingham
19 March (AM)	Webinar

Thank you to our national forum sponsors:

Belfast



Newcastle



## Training courses

Course	Date*	Location
Automatic enrolment and pensions for payroll	31 January	Exeter
	6 February	Edinburgh
	18 February	Manchester
Payroll and HR legislation update (50% off for members)	10 January	Solihull
	17 January	Leeds
	17 January	Exeter
	30 January	Manchester
Off-payroll working webinar	8 January	Online
	22 January	Online
	5 February	Online

Course	Date*	Location
Introduction to payroll	13 January	London
	20 January	Dublin
	27 January	Solihull
Off-payroll working and other employment status considerations	13 January	Bristol
	20 January	Cardiff
	27 January	London
Salary sacrifice and other optional remuneration arrangements	21 January	London
	19 February	Bristol

*Dates are subject to change. More dates are available at [www.cipp.org.uk/payroll-training-listing](http://www.cipp.org.uk/payroll-training-listing)*

Have you considered in-house delivery of training courses?



Can't find a date or location to suit your needs?

Let us know by visiting [cipp.org.uk/trainingreg](http://cipp.org.uk/trainingreg). New dates and locations may be added if there is enough interest.

# We need to talk about IR35

Anne O'Donnell, chief executive officer of Procorre, reveals the disturbing findings of its research



The devil is in the detail as they say, but before we get into that, let's have a small recap.

Intermediaries legislation (also simply referred to as 'IR35') was first introduced in 2000, to regulate individuals providing services via a limited company. New 'off-payroll' rules were then implemented in April 2017 for public sector organisations, which switched the responsibility of determining a contractor's IR35 status from the contractor themselves to the engager, i.e. the client organisation. These same off-payroll rules will now be extended to private sector businesses from April 2020, impacting an estimated 900,000 UK-based limited company contractors.

Both clients and contractors need to be ready for the changes to avoid losing access to valuable skills and client projects respectively.

Procorre recently launched Next10, a new initiative that champions contractors and provides a supportive voice for the industry. As part of Next10, and with the April 2020 off-payroll deadline ever closer, we surveyed over 500 contractors and 500 UK human resources (HR) professionals to examine how 'ready' they are for the IR35 changes and where any misunderstandings or potential hurdles lie ([www.Procorre.com/Next10](http://www.Procorre.com/Next10)). So, let's have a look at some of the findings.

Since the changes to IR35 regulations in the private sector were unveiled, nearly half (47%) of HR managers said they've been 'drowning in paperwork'. Half of these (50%) said they've found it difficult to concentrate on other tasks, and that planning for the changes has 'taken over their time' (47%).

If you're wondering what's causing this headache, the research reveals a number of insights that suggest many contractors are not as compliant as they think they are.

For example, even small things like using a client's email address domain, which nearly three quarters (72%) of contractors do, could fall foul of the new legislation, thus adding to the administrative burden of the clients' HR departments who must now ensure compliance.

## ...HR managers said they've been 'drowning in paperwork'...

Invoicing multiple clients throughout the tax year is more likely to help a contractor retain their career contractor status. However, when it came to surveying the scope and nature of contractors' activities, we found 57% work on a sole client contract at any one time, while one in ten said they hold management duties over employed staff.

If a contractor is also based within the office of one of its clients, they are more likely to be considered an employee under the eyes of the new legislation. Alarming, nearly a quarter (24%) of those surveyed work solely on site for their client.

Adding to this, 65% of contractors said they don't need approval for time off, but over half (53%) confirmed their client picks the days, hours and locations they work, despite their contractor status. In addition, over half (52%) of the contractors surveyed said they use equipment provided by their client. Although they cited cyber-security concerns as the reason, this is still potentially problematic.

Despite HM Revenue & Customs confirming it will not implement the rules retrospectively, taking the above into account it's not surprising that the majority (84%) of HR professionals are worried about the drain on resources administration will have, as they

look to get a handle on the new legislation before April.

Given that the changes to legislation could mean some contractors within the private sector find themselves liable for a higher tax bill, there are questions as to how this could be reflected in contractor rates or even whether there will be availability of the necessary skills to fulfil future projects. Over half of HR professionals (52%) think that contractors will definitely increase their rates after the changes and two thirds (67%) said it will be harder to recruit the necessary skills for their organisation.

In fact, 69% agreed that highly skilled contractors will be driven abroad to the advantage of their competitors overseas.

With the level of concern felt within the HR profession, most are seeking advice from third party organisations and 27% of those surveyed are spending between £200,000 and £499,999 to prepare for the changes. In fact, over a third (36%) of medium-sized businesses with 100–249 employees are spending this much on getting ready, increasing to almost half (48%) of those with 250–499 employees investing this amount.

While 59% of businesses had sought guidance from the variety of sources outlined above, it's concerning that around a third (32%) are yet to act and are 'intending on getting advice' – possibly exposing themselves to risk with the deadlines fast approaching.

Procorre's position on the findings of the research is that there is no 'silver bullet'. For client businesses and contractors alike, it's a case of taking a pragmatic, sensible approach. In fact, those that embrace the changes can use it as an opportunity to review and improve their processes making it as easy as possible for both parties to work together within the guidelines. ■



# Recruitment advice

**Stephen Wilson, chief executive officer and co-founder of novacare, provides guidance**



Search google for the best way to recruit and you will find over 200,000,000 results. It seems everyone is an expert and knows better than you. Well, sorry, that's just not the case. Nobody knows your business better than you, but they may just have learnt some hard recruitment lessons that they are willing to help you avoid.

With thirty years of managing, commissioning, owning and regulating care services across the UK, I have recruited thousands of staff. Along the way I have made mistakes in the rush to fill a vacancy. I hope these life lessons help you avoid the same.

● **Why am I recruiting?** – There has never been a more difficult time to recruit quality staff. Companies are faced with legal obligations, regulatory requirements, best practice, Brexit, competition, financial restraints and much more. However, it is also an ideal time to look at the efficiency and quality of your company.

So, before you post your next job advert ask yourself:

- Why are we doing things this way, are they needed at all? (Ritual)
- If needed can tasks be automated, or processes improved? (Research)
- Do I really need to replace the role or employ additional staff? (Rationale)

If at the end of this you still need to recruit staff, you should know in detail the skills, knowledge and experience required to fill the role. This will shape an honest advert and job description.

● **How can I be more efficient?** – If you don't have one already get an applicant tracking system (ATS). Whether you employ one person or a thousand, a good ATS will ensure you don't miss the perfect applicant and help you comply with your legal responsibilities.

Good recruitment systems can revolutionise your company. Going digital allows automation, opening your office

24/7 to interested candidates, helps recruit them faster, keeps in constant communication with them, and can reduce your costs by up to 90%.

● **Choose wisely** – Don't be tempted to advertise across hundreds of job boards there are only few that produce consistent results.

● **Quality not quantity** – If you want to find quality candidates who are genuinely interested in your company, then avoid CVs. Our system shows avoiding these reduces unwanted applications by 90%, allows comparison of applicants equitably, processes them more quickly, and stands a ten-fold better chance of them completing the recruitment process.

Never shortlist by phone. There is no substitute for non-verbal communication when interpreting applicants' responses. Today nearly everyone has access to Skype, Face Time or WhatsApp.

## ...never been a more difficult time to recruit quality staff

When you are ready to interview in person, then having a second person present allows you to balance opinions of candidates, safeguards continuity if an interviewer is unable to complete all interviews, and brings greater observational skills as they do not have to ask questions.

● **Good management information** – At any point in a recruitment process you should be able run a live report which includes:

- the number interested in the vacancy
- the number of people who applied
- time taken in each recruitment stage
- the number rejected
- the number offered
- the number recruited

○ the reason for rejection

○ the source of successful candidates, and

○ detailed demographics of candidates. Live data allows you to quickly alter adverts, understand why job offers are rejected, ensure budgets are spent wisely and that successful candidates match the original skills, knowledge and experience required for the role.

● **Return on investment** – Your time and resources are precious. When you need to recruit you want to make sure you do so successfully and with the minimum of delay. Taking time to review your management information may suggest a narrow campaign works best for key positions.

Alternatively, you may consider one of the following options a better return on investment:

- increasing the hours of existing staff
- devolving the existing job functions between the staff team
- automating the job role either in part or in full
- offering the role to existing staff as a job share
- promoting internally and recruiting a position which is more easily filled.

● **Fine tuning your own performance** – Do you know how long it takes applicants to progress through the following: initial application, interview, document and ID checks, offer letter, and final checks?

Taking time to look at blockers and poor performance in each stage will allow you to create a smooth, seamless recruitment process. ■

### Conclusion

There is no one-size-fits-all when it comes to recruitment; however, some key factors are universal. With the impact of Brexit a reality for many industries, reviewing your recruitment processes regularly has never been so important.

# Four-day working week

Kirsty Caudle, people, pay and perks at Moore Feakins LLP, explores the arguments



Can the idea of a four-day working week really work? Let's explore ways in which it could work and evaluate why it may not work in practice.

The first option would be to work longer days throughout the week. Theoretically the same work will be done and there would not be a reduction in anyone's salary as there has been no change in the number of hours worked per week. So, this works well provided everyone is happy to work until 7/8pm each night – which is unlikely.

This method is unlikely to render the desired outcome of less stress and improved work life balance. There is already the commitment to work longer days to have a longer weekend but if there is a deadline looming then you are likely to work even longer and be so exhausted by the end of the week that having an extra day off becomes counter-productive. According to Jonathan Richards, CEO of BreatheHR, greater flexibility would be more beneficial than a shorter working week, preventing the stress of meeting a deadline (<http://bit.ly/35KyXPH>).

The next option is to reduce salary to cover the additional day off. Surveys have indicated that employees would be happy to do that. Of course, there will be many people that can't afford to do that.

Maybe both of those options could be introduced through an opt-in method. But that can bring problems if people wanted to work the fifth day but not enough to sufficiently man an open business. Although if the plan was to stagger the extra day off across the week instead of fully close a business on one set day then this option could be acceptable. Finally, there could be no change to salary

or hours worked through the week. Just an extra day off each week. This method has been trialled and tested by a marketing centre in Glasgow which says the results speak from themselves: reduced sickness and increased productivity to name just a few positive changes.

*...maybe a flexible- or agile-working policy is the way forward instead ...*

More recently, Microsoft Japan tested a four-day working week. According to The Guardian productivity increased by 40% (<http://bit.ly/2qEuMpH>). And no doubt lower staff turnover, because you would be hard pushed to want to go back to five days a week for the same pay. This could lead to reduced recruitment and induction costs.

Productivity can be known to drop on a Friday, particularly in the afternoon when everyone starts to wind down for the weekend. There is an argument that this lull will just start on a Thursday afternoon instead, in which case the claim for increased productivity is void.

And will a four-day week really suit everyone? What about the working parents who pay for childcare after school each day? They may prefer a five-day week with an earlier finish to be at the school gates given the choice.

What would the impact be on client relationships? Some may say that it could be positive as their account manager is more likely to stay working for that organisation so there is an increased

chance of a longer working relationship. There is also the risk that clients aren't happy with the changes and want someone to be available every working day.

Not every sector can run a four-day working week. Will this lead to some jobs being considered 'superior', thus creating an unnecessary divide? That being said, according to a recent survey ran by YouGov (<http://bit.ly/2KZIED3>) 73% of larger businesses (over 500 employees) would support the move.

And what happens to holiday allowance? Do employers reduce that too or allow employees to have an extra week off each year? What about weeks where there are bank holidays? Will a week's work need to be crammed into three days instead of four?

There is no denying from the studies carried out that it has been beneficial with increased satisfaction towards work-life balance, less stress, increased profits and staff wellbeing; however, it is a massive change to embrace and one that simply may not work.

It is easy to assume that the more hours spent at a desk, the more revenue must be being created. Will people be healthier? And a report by Autonomy (<http://bit.ly/2qPy2hV>) confirms strong indications that our carbon footprint can be reduced.

There is clearly no one-size-fits-all here; and maybe a flexible- or agile-working policy is the way forward instead of a blanket change. Britain has a culture of working long hours. We work more than anyone else in the EU so perhaps change is needed. But whatever the solution is, I think we are a long way away from the four-day working week being the norm. ■



## Working round the clock?

**Jenni Wilson, corporate director at Nuffield Health,** explains why work separation anxiety is on the rise and how employers can spot the signs and provide support



For many of us, work is an important part of our lives. This isn't a bad thing, after all, our work makes up part of our identity and is one of the avenues we use to express ourselves.

Some attachment to our job role is normal, but if it becomes an obsession, we can find ourselves working non-stop without taking time off to reboot our bodies. This has led to the rise in a growing epidemic known as work separation anxiety (WSA) – which can occur when employees are so consumed by work, they experience distress and fear when away from a professional environment.

WSA can cause both physical and mental distress and exacerbate negative behaviours like 'leavism' (<http://bit.ly/32qL1mP>), which is when an employee uses annual leave to catch up on work, and 'burnout', which is now recognised as a legitimate medical concern by the World Health Organisation (<https://cnn.it/2CsmOSB>).

The pace of today's workplace and society's 'always on' culture means many of us are putting pressure on ourselves to be 'busy' and productive all the time. Other individual factors like unreasonable deadlines, unmanageable workloads or a company culture which may not encourage taking time off can also drive symptoms of overworking.

There's nothing wrong with wanting to excel at work, but if we don't let ourselves have downtime, our efforts become counterproductive. Driving too hard without breaks leads to increased stress and exhaustion, making us less productive and focused. Studies have also found a correlation between overworking and type-2 diabetes (<http://bit.ly/2qVrShQ>) and heart disease (<http://bit.ly/34Dt8mg>).

Overworking also hinders creativity. Renowned neuroscientist Jonah Lehrer

notes many individuals have their 'eureka!' moments, when they are allowing their minds to rest (<https://amex.co/2PXbA0n>). Trying to keep our brains relentlessly focused only "inhibits...creative connections that lead to breakthroughs."

A key point about WSA is many employees consider working long hours, stress and tiredness are part of working life. Many won't even realise when their symptoms are starting to become out of control. So, management should receive the right training to spot the signs and offer support.

Those at the severe end of the spectrum will rarely delegate tasks and become highly stressed when they don't have complete control or ownership of a project. They will either avoid booking or cancel annual leave last-minute – claiming they have too much on to take holiday.

### **...*'burnout', which is now recognised as a legitimate medical concern...***

Try to track the hours people are working and when they arrive at and leave the office. If they regularly come in early, stay late or send messages outside of work hours, this could be an indication of someone struggling.

Physical health signs to watch out for include employees experiencing heart palpitations, shortness of breath, headaches, tiredness and dizziness. You might notice heightened emotions and tearful outbursts.

According to research (<http://bit.ly/2CqrN9>) anxious emotions like fear can be contagious, so pay attention to the

behaviour of other team members. If worry and concern spread across the office, as soon as someone books annual leave or takes a sick day, this is a sign your culture needs to change.

To provide employees with the right support, it's crucial to thoroughly evaluate the work environment. Combine hard and soft objective measures like monitoring sickness absence rates with feedback from one-on-ones and satisfaction surveys to gain a well-rounded, overall picture of employee wellbeing.

Managers should take steps to establish a culture where employees are encouraged to take their work life balance seriously. Lead the way by avoiding sending emails outside of work hours, taking your full lunch breaks and trying to leave on time. This will help show employees this is the norm and encourage them to mirror your actions.

Consider running internal talks and invite health experts to address some of these key issues. You could discuss current workloads, how to improve time management and the options available from your wellbeing policies for those who feel they need additional support.

For example, emotional literacy training could be introduced to help staff recognise the signs of emotional distress in themselves and others. This provides employees with a common language to discuss issues like stress and overworking, which may negatively impact employee health.

Introduce external services like employee assistance programmes, which offer direct, confidential contact with experts and can support individuals with situations causing more severe emotional distress. They've been shown to reduce the cost of presenteeism in employees suffering from financial issues, work-related problems and even addiction and mental ill health. ■

# 2020 HAPPY NEW LEAVE YEAR

## *Are you prepared for the new annual leave year?*



**Christina Holloway, director of service excellence at Moorepay,** timeously discusses the importance of annual leave and why payroll and HR need to work in tandem

January can be a dull and depressing time: cold, dark and, for many, something of a low after the highs of Christmas and the New Year. But it's also a time to look forward, detox and make plans for the year ahead.

For employees, January is particularly important because, for most firms, it marks the renewal of annual leave entitlement. Holiday entitlement and how effectively requests are managed directly impacts employee satisfaction, particularly for millennials who are said to value experiences more than other age groups (<http://bit.ly/32N2ki4>).

From a business perspective, the financial, reputational and operational impact of getting holiday planning wrong can be significant as we saw in 2017 when Ryanair were forced to cancel between forty and fifty flights every day for six weeks due to a problem with managing pilot's holidays.

Our recent *Engaged employer report* ('the report') (<http://bit.ly/2Xiwf0z>) highlighted that after financial benefits, flexibility was most highly valued by employees. Holiday is of paramount importance in this respect and goes hand in hand with flexibility and benefits.

Employees need to feel valued; giving them flexibility and choice is crucial to empowering them in their role. Some 13% of UK employees surveyed for the report named holiday buy, sell and trade schemes as important for their employer to offer; the seventh most commonly cited benefit of all.

Flexibility of holiday allowance gives employees increased freedom to juggle competing life demands. It can also be

used to flag potential wellbeing concerns and mitigate levels of absence. It can signpost those stressed about money or concerned about workload (if they sell lots of holiday) and could be an indicator for those who are losing interest in the workplace, for example if they buy lots of holiday and take a significant amount of sick days. Businesses that allow employees to buy and sell holiday may find it has a beneficial effect on their recruitment and retention as it flexes to the needs of individuals at different times of their lives.

***...the financial, reputational and operational impact of getting holiday planning wrong can be significant...***

However, managing this freedom can be challenging and it requires a robust and well-managed system. Employers need to ensure teams have adequate resource at all times, whilst also giving employees an element of choice over when they take their annual leave. When selling holiday, employers must ensure that the individual still receives and takes the statutory minimum amount of days (28) to which they are legally entitled. Similarly, when buying holiday, their salary must remain above the minimum wage. Employers must therefore account for one-off buying of holiday entitlement over several months to ensure compliance.

Human resources (HR) and payroll teams need to stay on top of employee requests and have simple and structured systems to handle this process. Self-service applications can help with the authorisation process, which employees now expect to be almost instantaneous, as they try to coordinate booking their holiday.

Other significant parts of the holiday process include handling the calculation of National Insurance contributions, tax and carry-over days (if applicable), which can be more complex if the company allows individuals to buy and sell holiday. Technology can help with calculating holiday entitlement and pay, but HR and payroll specialists also have a duty to oversee this process and ensure these factors are both carefully calculated and keep the welfare of individual employees at the forefront of considerations.

This is one area where payroll and HR need to work in tandem to ensure processes are manageable. It is also a key opportunity to gather greater insight into employees' wellbeing and engagement levels.

As UK businesses face some of the most pressing recruitment and retention challenges in living memory, getting the basics right is crucial to creating a positive employee experience. This includes calculating holiday entitlement correctly and making it easy for employees to request time off. Employers who take this a step further – by offering holiday buy and sell schemes and self-service technologies – will reap the benefits of productivity boosts, increase appeal to prospective employees and reduce churn. ■



# Compensation, harassment, discrimination

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



## **Komeng V Creative Support Ltd**

In this case, the employment appeal tribunal (EAT) ruled that when determining compensation for injury to feelings in discrimination cases, it is not only one-off acts that fall into the lower Vento band.

The claimant, who described himself as a 'black African', had worked for the respondent as a 'waking night carer' since June 2011. During this time, he had asked to be enrolled onto a level 3 NVQ (National Vocational Qualification) course as part of his ongoing development. However, the respondent failed to take any steps to enrol him on such a course, despite the fact that his colleagues of a different race were provided the opportunity to do so. In addition to this, the claimant was regularly made to work weekend shifts, despite his colleagues often receiving weekends off. This arrangement was not changed even though he raised this issue with the respondent.

The claimant believed this treatment equated to direct race discrimination and brought this claim to an employment tribunal (ET). The ET upheld his claim

and, finding that he had been subjected to detrimental treatment on account of his race, awarded him compensation. When calculating the compensation, the ET saw fit to award an additional sum for injury to feelings, the amounts of which are divided into three 'Vento bands' (<http://bit.ly/2oRiWr9>) based on the severity of the incident.

The ET found that the fact the claimant had continued to work for the respondent for several years despite not being enrolled onto the course indicated that the distress he suffered was not significant. They also found no evidence to suggest the claimant would have been automatically promoted had he been able to complete the course, meaning there was no proof he would have suffered any further detriment.

Therefore, in the tribunal's view the claimant's compensation for injury to feelings fell towards 'the top of the lower band', awarding him £8,400 for injury to feelings. However, the claimant appealed this decision, arguing that the award was too low and should have instead fell somewhere within the middle Vento band.

It was then up to the EAT to

determine if the claimant's assertion was correct; however, having reviewed the evidence available to them the EAT dismissed the appeal. Despite the claimant pointing to repeated instances of detrimental treatment, the EAT held that when determining injury to feelings compensation, the consideration is the effect of the conduct on the claimant rather than looking at the gravity of the respondent's actions. It is therefore determined that it is not only one-off acts that could fall within the lower Vento band.

This case acts as a useful commentary of the intricacies of Vento banding when it comes to injury to feelings compensation. The bands are in place to help decide on compensation figures for: less-serious cases, serious cases, and very-serious cases, respectively. Although serious cases typically involve ongoing discrimination, this case confirms that there is no hard and fast rule that the lower band is only appropriate for one-off acts.

## **Raj v Capita Business Services Ltd**

In this recent case the EAT was tasked with assessing whether the act of a manager massaging her subordinate's shoulders amounted to unwanted conduct of a sexual nature.

The claimant worked as a customer

*...effect of the conduct on the claimant rather than looking at the gravity of the respondent's actions*

services agent for the respondent for a year before he was dismissed. Following dismissal, Raj alleged that he had been sexually harassed on several occasions by his team leader. He insisted that she would often stand behind him at his desk and place her hands on his shoulders, neck and back.

During the initial ET, the line manager insisted that she had only tapped the claimant on the shoulder; however, the ET found that she had massaged his shoulders long enough for him to feel uncomfortable, and that this had taken place two or three times. Despite this, the ET said that there was insufficient evidence that the unwanted conduct was related to sex, or that it was of a sexual nature as it related to a gender-neutral part of the body and occurred in a busy open plan office.

The ET also held that no evidence had been presented that suggested the conduct had been a result of the claimant's gender. As far as the tribunal could see, the team leader had not behaved in this manner towards anyone else, male or female, and it was isolated conduct. They also took into account the perception of the employee, who had previously raised numerous complaints against the organisation, such as race and disability discrimination, that had been unfounded. As a result of this, the ET believed that he saw things that were not there, calling into question the reasonableness of his perception.

Ultimately, the ET concluded that the purpose of the conduct was misguided encouragement from a team leader to a member of her team. Although this form of contact had been unwise, it did not constitute harassment.

Unsatisfied with this result, the claimant appealed against the decision to the EAT. Although he did not question the tribunal finding that the contact had not been of a sexual nature, he did claim the ET erred in failing to shift the 'burden of proof' to the respondent to prove that unlawful harassment in relation to his gender did not occur.

However, the EAT dismissed this appeal, finding that the initial ET had correctly determined that the conduct did not amount to sexual harassment and therefore there was no need to shift the burden of proof across to the respondent. They agreed that there was no evidence

to suggest that his treatment had been a result of his gender and that unwanted conduct in itself did not automatically give rise to a prima facie case that this conduct was related to a protected characteristic.

The EAT also stated that, even if the burden had shifted and the respondent had been required to provide an explanation for the conduct, they had already done so. The massaging had amounted to misguided encouragement rather than anything to do with the claimant's gender.

This ruling effectively demonstrates the complexity of discrimination cases and that when bringing a claim of sexual harassment, the onus will first be on the claimant to satisfy all aspects of the legal definition before the burden is passed to the respondent.

*...posted the image on a private account and had not been at work, or used the respondent's equipment...*

### **Forbes v LHR Airport Limited**

The EAT had to decide in this case whether an employer could avoid liability for acts of discrimination committed by an employee if the act complained of took place outside of work.

The claimant worked for the respondent as a security officer. On one occasion at work the claimant was shown by his colleague, BW, an image that had been posted on Facebook by another colleague, S. The image was a picture of a golliwog, which was accompanied by the caption, "let's see how far he can travel before Facebook takes him off". It had originated on S's private Facebook page and had then been shared with a number of people, including BW, but not the claimant.

The claimant was appalled by the image and raised a formal grievance against S, complaining that racist images were being circulated in the workplace. The grievance was upheld and, following a disciplinary procedure, S was issued a final

written warning.

Following this, the claimant was rostered to work alongside S and raised concerns about this. He was then moved to another location without any explanation. A brief time later the claimant brought claims of harassment, victimisation and discrimination on the grounds of race to ET. In doing so he claimed that the respondent was vicariously liable for the behaviour of S.

However, the ET dismissed his claim, ruling that although the sharing of the image was capable of giving rise to the offence on racial grounds, the post had been done on S's private Facebook page and had therefore not taken place "during the course of her employment", so the organisation could not be vicariously liable. The ET went on to explain that, regardless of this, the organisation had taken all reasonable steps to prevent the employee suffering discrimination. They had policies that made it clear this behaviour was unacceptable, had upheld the claimant's grievance, subjected S to a disciplinary procedure and ultimately issued her a final written warning.

The claimant appealed the vicarious liability point to the EAT, and also disputed that the organisation had taken reasonable steps to prevent discrimination. However, the EAT dismissed this appeal, agreeing with the earlier reasoning of the ET.

The EAT explained that when assessing whether an act occurred in the 'course of employment', tribunals need to examine whether the act was carried out at work or outside of work and, if outside work, whether there was a sufficiently close connection with work e.g. an office Christmas party. Whilst such an approach is relatively straightforward when dealing with the physical environment of work, the EAT commented that it's far less easy to apply when dealing with the virtual world.

Although the EAT accepted there may be circumstances where the sharing of an image on a Facebook page could be found to be an act done in the course of employment, this was not the case here. The EAT stressed that S had posted the image on a private account and had not been at work, or used the respondent's equipment to do so. The EAT also noted that her friendship group online was largely made up of non-colleagues and the image had not made reference to the organisation or any of its employees. ■

# Pay statements

**Danny Done, managing director at Portfolio Payroll**, provided guidance on what to do if you haven't been complying with statutory new requirements on payslips since 6 April



Previously only employees were entitled to receive payslips, but a change to the law in April 2019 extended the scope to 'workers', including zero-hours and agency workers. Since these individuals now have a statutory right to receive a payslip (called 'pay statement' in law), failing to provide this will leave your business open to legal proceedings.

It is also worth noting that since April 2019 employers have been required to include additional information on payslips for everyone whose pay varies depending on the number of hours they have worked. Where this applies, the number of hours paid must be clearly shown. This will apply where an individual has a fixed salary each month and works variable overtime with additional pay at an hourly rate. In these situations, only the hours of overtime need to be shown.

With this in mind, workers may now submit a claim for a failure to be provided with a fully itemised pay statement, which could result in significant financial repercussions. If a claim is lodged, an employment tribunal (ET) has the authority to order the employer to pay compensation to the workers involved. When determining the amount of compensation due the ET will refer to any unnotified wage deductions made in the thirteen weeks prior to the date of application. The amount of compensation cannot exceed the amount of unnotified deductions during this period. However, when you consider the amount of potential deductions made during this time, this could be a costly sum.

Given the potential issues, you will want to resolve the situation as soon as possible. Whilst it is clear that you need to provide workers with payslips going forwards to meet your legal obligations, you will have a decision to make on how to proceed.

***...identify all those with worker status and ensure their payments are accurately reflected in payslips going forwards***

On one hand, you could simply begin to provide workers with an itemised payslip from the next pay reference period and hope not to draw any attention to the fact they have had a right to receive these since 6 April. Alternatively, providing you have the correct facilities in place, it may be more favourable to issue multiple payslips incorporating any pay reference periods since 6 April. This will generally be considered a best-practice approach and may benefit you in any tribunal proceedings.

Unfortunately, there will always remain a risk that this sudden change in procedure will alert suspicions amongst workers and encourage them to lodge a claim against your business. However,

you must avoid the temptation to carry on without issuing payslips, as this will only make the situation worse in the long-run. Instead, to prevent this from occurring again in the future, make sure you identify all those with worker status and ensure their payments are accurately reflected in payslips going forwards.

It is also important to keep up to date with all future legislative developments, such as the government's Good Work Plan that is set to come into force in April 2020. Both workers and employees will benefit from additional employment rights as part of the plan, including the right to receive a written statement of main terms from day one of their employment. The reference period used to calculate holiday pay for those who work variable hours will also change, increasing from 12 weeks to 52 weeks from April 2020. This amendment is designed to ensure individuals receive holiday pay that is a more-accurate reflection of their normal working hours throughout the year and is likely to have a significant impact on businesses that benefit from zero-hours workers.

You should encourage your human resources department to work proactively, making sure the correct provisions are in place ahead of time, thereby reducing the risk of any additional tribunal proceedings. It will also be vital to have a clear system in place for retaining your own copies of staff payslips, as this will be important should you ever be subjected to an investigation from HM Revenue & Customs. ■



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### EXECUTIVE SOURCING EXECUTIVE PAYROLL TALENT

#### PAYROLL MANAGER

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A Payroll Manager is currently being recruited for an international business based in London. As Payroll Manager you will be responsible for processing a monthly payroll from start to finish - ensuring all statutory deductions (SMP, SPP, and SSP etc.) are made accurately and on time. You will ensure that year end is completed including p60s and p11Ds. The Payroll Manager will liaise with HMRC regularly and resolve any associated queries. You will also process all benefits through the payroll & liaise with providers where necessary. Acting as subject matter expert for all payroll related projects and lead on these where necessary.

#### PAYROLL MANAGER

**£60,000** Berkshire Ref: 961748GC

A very established business with an amazing history is currently hiring a Payroll Manager to join them on a permanent basis. Reporting into the Head of Payroll, the Payroll Manager will be responsible for: processing a high volume payroll from start to finish payroll for monthly & weekly paid employees; ensure that all statutory deductions are made & filed on time, liaise regularly with HMRC and ensure all third party payments are made. Resolve any escalated queries and day to day management of the payroll team - including appraisals, one to ones, and recruitment of new members. This is an important role for the business and will require the candidate to have managed staff previously. This role can offer an amazing working environment, excellent benefits and boasts a team culture.

**LONDON** COVERING EAST ANGLIA, THE MIDLANDS, LONDON, SOUTH WEST AND THE SOUTH

#### PAYROLL OFFICER

**£30,000 - £34,000** ESSEX – CHELMSFORD REF: 960628GD

Portfolio Payroll are currently recruiting for a Payroll Officer to join a Financial Services company in Chelmsford on a permanent full-time basis. Duties include but are not limited to: Processing a high volume payroll on a monthly basis from start to finish. Calculating and processing all pay changes including starters, leavers, SSP, SMP, SPP etc. Managing and dealing with all staff queries and in a timely and efficient manner. In return the company offers a competitive remuneration package and lucrative benefits. Due to the nature of the location parking is not available on-site.

#### PAYROLL ASSISTANT

**£20,000 - £23,000 PER ANNUM** BROMLEY REF: 961601LW

An exciting opportunity has arisen for a payroll administrator to join a large well-established and popular company. The client is looking for this role to join a stable team and be able to work on a full start to finish payroll for their employees. Ensuring that the payroll is completed accurately and in line with UK legislation. Be the first point of contact for employees, people managers and Group HR members on employment related administration that support the effective and efficient delivery of payroll procedure to ensure accurate employment records and payroll at all times. Prepare and process the monthly payroll, to ensure all UK staff are paid accurately and on time in accordance with UK legislation and their terms and conditions. Ideal candidates should have solid payroll experience as a payroll administrator, start to finish, manual calculations, and statutory deductions and be able to work to monthly deadlines for a large volume of payrolls.

#### PAYROLL ADMINISTRATOR – PART TIME

**£28,000 FTE** NORTHAMPTON REF: 961907LW

The client is looking for someone who would be able to understand and interpret national legislation, policies and guidance to ensure that all process are completed on time and in line with national requirements. This is the role for professional payroll individuals who are looking to build upon their career and be able to demonstrate their payroll knowledge within a fast paced environment but still want to learn new challenges every day. Prepare and process the monthly payroll, to ensure all staff are paid accurately and on time in accordance with UK legislation and their terms and conditions.

**MANCHESTER** COVERING MANCHESTER, NORTH WEST, YORKSHIRE AND THE NORTH EAST

#### PAYROLL ADMINISTRATOR

**£17,000 - £20,000** LANCASTER REF: 961873

Excellent role for a Payroll Administrator to join an accountancy practise based in Lancaster! Key Responsibilities include: Processing timesheets and expenses, raising invoices for payment. Allocating and processing payments. Dealing with queries and complaints and liaising with HMRC. There are many benefits which include CIPP study support being fully funded! If you are interested in this payroll position and want somewhere you can progress, get in touch.

#### PAYROLL OFFICER

**£20,000 - £24,000** SALFORD REF: 961968JT

To provide comprehensive advice to employees in relation to payroll queries. Support the processing and running of the end to end fortnightly payroll. Support the busy payroll department high volume starters and leavers. Ensuring all necessary payments are made within the deadlines set, for example Pension Contributions and BACS salary payments. Reconciliation of weekly timesheets along with the input of overtime and bonus payments. Ensuring current payroll legislation knowledge is up to date and in line with HMRC, with procedures updated accordingly. Additionally provide support to the Payroll Manager.



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WE ARE RATED 9 OUT OF 10



## Pension wake-up packs

NEW RULES on pension 'wake-up packs' came into effect on 1 November 2019. These aim to make it easier for individuals to review their current financial situation, understand their options and any risks, and hopefully make better retirement decisions.

The packs must be sent out once the individual reaches age fifty, and then every five years after that until the pension is fully cashed in. They will also need to be sent just before someone retires, whenever they request a retirement quote, and any time they take money out of their pension, with no more than five years between each pack, until the pension pot is empty.

The new packs must include: a one-page summary of the pension; information on how to access the government's Pension Wise service for guidance; and an explanation of the advantages of shopping around when purchasing a retirement income option (e.g. an annuity or income drawdown) and how to do this. It will also need to include a single page identifying the main risk factors relevant to these options and highlight warnings in relation to each of these risks.

Jonathan Watts-Lay, director of WEALTH at work, a specialist provider of financial education and guidance in the workplace, comments: "We have seen hundreds of thousands of employees and members in our financial education seminars, who simply don't understand how to manage their income in retirement, and we have also all heard many stories of individuals who have ended up paying huge sums in unnecessary tax, or even losing their pension to scams.

"Something had to be done, and these new 'wake-up packs' are a good step in the right direction."

## Pension savings

ACCORDING TO new research (<http://bit.ly/37p38NE>) by the Institute and Faculty of Actuaries (IFoA), savers across the UK could be heading for a retirement that does not meet their hopes and expectations, with seventy per cent of those whose workplace pension is their main form of retirement saving, contributing only the minimum into their pension. The IFoA's modelling concludes that an individual aiming for a 'minimum' income retirement target should be saving £86 per month, on average, from the start of their working life. This should be covered by the contribution they and their employer have to make under automatic enrolment.

To work towards the 'moderate' level of income, the amount of savings required rises. To reach the full moderate income, an individual would need to save £799 a month on average over their entire working life. This represents around a quarter (26%) of earnings for someone on an average full-time salary. For a couple this would be £753 per month split between two individuals.

Mark Williams, chair of the IFoA's Pensions Board, said: "We urge the government to assess whether the current balance between the levels of employee and employer contribution is appropriate. Individuals alone should not be burdened with the responsibility of closing what could become a significant savings gap unless there is further policy reform."



## DB scheme consolidation

ACCORDING TO recent polling by the Pensions and Lifetime Savings Association (PLSA), pension experts anticipate further pension scheme consolidation and expect the number of defined benefit (DB) schemes to fall from 5,500 to below 4,000 in the next decade, with nearly half believing there could be fewer than 3,000 schemes.

The results came as the Work and Pensions Select Committee called pension superfund executives to give evidence on the Pension Schemes Bill.

Joe Dabrowski, head of DB, LGPS and standards, PLSA, said: "It is disappointing there are no provisions in the Pension Schemes Bill to establish a statutory authorisation regime for superfunds. Under strong governance, robust capital buffers and the appropriate affordable supervisory regime, superfunds have the potential to strengthen the security of the millions of savers in DB schemes whose sponsoring employers face an uncertain future."

## Working after retirement

NEW RETIREMENT trends research from Fidelity International finds that more than half (52%) of UK adults say they plan to work at least part-time during their retirement. The average age people say they expect to retire from their primary job is 66, yet 45% expect to work into their seventies, and almost one in ten (9%) into their eighties or beyond.

The research also reveals:

- Londoners are far more likely to have plans to continue working into their retirement (64% compared to national average of 52%), despite expecting to 'retire' at 65
- those with the highest household incomes (with an annual income of more than £50,000) are more likely than those on lower incomes to plan to work in their retirement (58% compared with 50%).

Maïke Currie, director for workplace investing at Fidelity International, said: "Retirement is no longer the cliff edge it used to be – the important thing, however, is to have choice. Whether that be to work, to retire completely, or somewhere in between, it's important for people to hit retirement age free from money worries, and with the ability to continue the lifestyle they have become accustomed to. The solution lies in having a plan and knowing the amount they need to put away each month. This way, working in retirement can remain a choice, rather than a necessity."

# Re-enrolment, and other duties



With many small and micro employers imminently reaching their third-year anniversary, **The Pensions Regulator** provides an update on what employers, clients and advisers need to know and do

Over the coming months the first waves of small and micro employers will reach their re-enrolment deadlines. Re-enrolment means staff who opted out of their workplace pension are put back into the scheme by their employer. It's an important task because it means these staff are given fresh encouragement to save for their retirement.

Automatic enrolment has changed the savings landscape, with more than 10,000,000 people newly saving or saving more. For the small minority of staff who opted out – around 9% – re-enrolment means they have the opportunity to benefit from the pensions contributions to which they're entitled.

So far, around 117,000 large- and medium-size employers have completed re-enrolment. It's a straightforward task and employers will receive a letter from The Pensions Regulator (TPR) reminding them about their re-enrolment responsibilities.

## Business as usual for employers

More than 1,400,000 employers have now done the right thing for their staff and complied with their automatic enrolment duties. Automatic enrolment is business as usual, and simply part and parcel of running a business – most employers spend just a couple of hours a month completing their ongoing duties.

Compliance with the law remains high, with the majority of employers successfully meeting their legal responsibilities. However, TPR is warning employers to leave enough time to complete re-enrolment, as failing to complete tasks correctly and on time will lead to non-compliance and risk a fine.

## Completing re-enrolment

Re-enrolment must be carried out every three years. Employers can choose a re-enrolment date which falls three months either side of the third anniversary of the date their workplace pensions duties started – but to make it easier for them,

we tell employers to simply use the third anniversary of their staging date.

Being able to pick a re-enrolment date means employers can choose a deadline which is suitable for them and aligns with their business processes. However, once the re-enrolment date has been set, employers must work towards and meet that deadline.

Employers must assess staff who opted out when they were enrolled, to check if they're still eligible. If they are, they must be put back into a pension scheme. Employers must inform these staff in writing about how they're affected by automatic enrolment.

**...failing to complete tasks correctly and on time will lead to non-compliance and risk a fine**

Employers must then complete and submit an online re-declaration of compliance form to confirm to TPR what they've done to meet their re-enrolment responsibilities. Failure to carry out this task and complete re-enrolment means employers fall foul of the law and risk a fine. Employers should leave enough time so that they meet their deadline.

Low opt-out rates mean the majority of employers won't have staff to re-enrol; however, they must still complete their re-declaration to confirm they've checked whether they need to put any of their staff back into a pension scheme.

Business advisers can help their employer clients with some, or all, of their re-enrolment tasks, although responsibility for complying with the law remains with them.

Recent research confirms that over 90% of business advisers (accountants, bookkeepers and payroll administrators) continue to support their clients with

their ongoing duties, which includes re-enrolment. Over three-quarters of advisers remind some or all of their clients when they need to complete their ongoing duties, keeping track of key client dates primarily through their payroll system or calendar reminders.

We've produced a downloadable leaflet that can be passed on to your clients, and we also have a useful website tool to help clients find out what they need to do and by when.

## Other ongoing duties

As well as completing re-enrolment, employers must keep up to date with their ongoing duties. These include keeping track of the age and earnings of staff, managing requests to leave or join a pension scheme, keeping accurate records, and ensuring staff receive the correct pensions contributions.

Minimum contributions increased in April from 5% total to 8% total – with staff contributing at least 5%, and employers putting in at least 3%. Employers are warned that failing to make the correct contribution is non-compliant and risks a fine. ■



## Information

Employers can find the information they need about ongoing duties and re-enrolment by heading to TPR's website, which has a step-by-step guide and useful checklists. For more information on:

- re-enrolment and re-declaration: <http://bit.ly/2XC0lfJ>
- ongoing duties: <http://bit.ly/2qvetvc>
- leaflet to pass to clients: <http://bit.ly/2s2mNmC>

# Kicking the pension tax-can down the road

**Henry Tapper, chief executive officer of AgeWage, rightly challenges the tax treatment of low earners**



It's been a season of 'nearlies'. We nearly left the European Union; nearly had a budget; and we nearly had a pensions bill. But none of this happened for reasons we need to go into.

Meanwhile the pensions system is looking nearly broken – and if we aren't careful, pension taxation could do some serious damage to the nation's health as senior doctors find they can't afford to work their traditional hours for risk of penal pension taxation. Fortunately, their issues get national publicity because the impact is immediate: cancelled operations and longer waiting lists.

Unfortunately, the estimated 1,700,000 pension savers who don't pay tax and are in net-pay pension schemes are nearly getting the promised incentives. But these savers, who are least well-represented in society, are ending up paying a quarter too much for their pensions.

In October, the Office of Tax Simplification (OTS) issued a report that called on HM Revenue & Customs (HMRC) to implement a P800-type solution to sort what is known in government circles as the 'net pay anomaly'. What that means is a change in coding for pension savers earning below the income tax threshold – either through opting in or through automatic enrolment (AE). This would effectively credit low earners with up to £63 as a year-end savings bonus.

The savings bonus is already being paid to the other group of pension savers paying no tax. This group – who by sheer luck are in relief-at-source pension schemes like NEST (National Employment Savings Trust) and insurance company group personal pensions – are already getting this bonus 'at source'.

The political importance of the small number of doctors rather outweighs that

of the 1.7million low earners, because the poor overpaying for their pensions creates zero impact for politicians or civil servants. Ironically, the beneficiaries of net pay pension schemes are the higher rate taxpayers who get tax relief at their highest marginal rate through their pay packets. Senior civil servants and politicians are exclusively higher rate taxpayers.

**...the poor overpaying for their pensions creates zero impact for politicians or civil servants**

The OTS's estimate, based on HMRC's own numbers, for putting the net pay anomaly right is a paltry £10,000,000. The cost to the Treasury of paying savers their promised incentive will be less than £60,000,000 per annum. This money – in government terms – is nugatory, but it delivers a meaningful payment to low-paid people and keeps a promise made by government at the outset of AE that all savers would be eligible for a savings incentive (whether taxpayers or not).

As recently as in its tax consultation in 2015, the Treasury was writing to taxpayers as follows: "Average contribution rates will rise as the minimum contribution levels under automatic enrolment increase to 8% in 2018 (of which the individual will pay 4%, the employer will pay 3%, and the government will add tax relief of 1%)".

The '4+3+1' formulation has become '5+3' for 1.7million savers because the

income tax threshold has increased to £12,500 and the AE earnings threshold has stuck at £10,000. As all payroll people know, people can be bounced into AE on the back of a couple of high pay period earnings and end up with P60 certificate earnings well-below £10,000.

What is more, this problem is only going to get worse. If the government delivers on the promised changes to AE in 2020, then we will see the contribution earnings threshold fall further. We may in time see an increase in headline contribution rates.

And there is a very real gender problem here. Of those impacted by this, 70% are women. The net pay anomaly is widening the pensions gender pay gap and particularly discrimination against low-paid women.

The government should be only too aware of the long-term impact of disguising policy through weak disclosure. Whatever the rights and wrongs of the WASPI (Women Against State Pension Inequality) argument, what is undeniable is that most women didn't realise their state pension age was being put back.

Is the current government policy of not speaking about this issue going to result in the same problem? I suggest it will. At some point the low-paid, or the low-paid's champions, will see the money that is being overpaid as sufficiently meaningful for it to become a political issue. At this point we are likely to see questions being asked about why no-one was talking about this problem 'years ago'.

If it takes five years for this to happen, then 'years ago' is now. Which begs the question, who will be held responsible for keeping things quiet? I would like to think that the payroll industry will not be fingered amongst those who decided that they could kick this problem down the road. ■

# Lost in translation



**Gareth Stears, pensions technical consultant at Aries Insight, says translators fluent in Pensionese and English are required**

Our industry is battling to convince the public to engage with their pensions. Many people, after being enrolled in a scheme automatically by their employer, stay in the default fund and change nothing until they retire. Even at that point, savers' retirement choices often follow the line of least resistance.

These are important decisions in a person's life. Get them right, and you might enjoy many comfortable years with your feet up. Get it wrong, and you won't get that reward for a lifetime's hard work. But many can't bring themselves to try and make sense of boring pensions.

One explanation for this apathy is how impenetrable pensions can be, with its jargon ('flexi-access drawdown') and acronyms ('UFPLS'). It's like its own language. The solution for some is simply to cut out that jargon and those acronyms. To let 'Pensionese' die and speak only in English.

I disagree and think there's a place for it within the industry. You can quickly express a concept to those who know the lingo. And it fosters a sense of a community. You know you're a pensions person when you have a conversation about 'GMP equalisation' and 'the Lloyds case' that no outsider could ever dream of deciphering.

The mistake is getting frustrated with outsiders wanting to know community business. When the public want to understand something about their pension, that is their right and the industry should embrace this. Our duty is to translate Pensionese into plain English so they understand their options and can make informed decisions.

It's like the medical profession. Doctors and nurses say things to each other that most of us can't understand. We don't expect the surgeon to ask their assistant

for the 'wee tube' instead of the 'catheter'. But when you need to know what they're talking about (perhaps when such an implement is produced from a tray) they should help you understand all your options so you can give informed consent. In medicine, this is part of having a 'good bedside manner' and is a respected skill.

## *...verbal communication skills to ensure the message gets across*

The pensions industry is already doing a good job of simplifying and clarifying the communications we send in writing to the public. Initiatives like the single page wake-up letter should help matters. But there's another battleground that receives less attention. The first thing a lot of people do when they receive any pensions missive is to find the phone number and call for an explanation. This is a critical moment. If they can't get a straightforward answer, this is when any hope of engaging people is lost.

Sometimes the call handler doesn't know enough to explain. This is easily solved with help from a colleague, and we all have to start somewhere. But other times, it's almost as if the call handler knows too much. They're fluent in Pensionese, but they can no longer translate that understanding into English. You need the empathy to pitch the explanation at a level the caller understands, without patronising them, and the verbal communication skills to ensure the message gets across.

This isn't to criticise call centres and their staff. Quite the opposite. I want

great call handling to be valued more. Communicating is a bit like swimming. Once we've learned how, most of us stop going to training. But we can always improve. We should treat this skill of translating Pensionese into English more like a craft. It's an underappreciated skill, and that's a problem for pensions.

Pension providers are (quite rightly) spending time and money on their mail-outs; hiring communication experts to ensure their message is presented clearly and vividly. But I hear less about initiatives in verbal communications.

Translating pensions should be something in which you can specialise. Call centres should identify those with an aptitude for this and give them recognition. Callers struggling to understand a concept can be put through to a specialist translator. Nobody should be allowed to rest on their laurels though. The whole team should regularly go on courses to master their craft. These courses might even be run in-house by your best translators; but a word of caution: not everyone who can do, can teach.

If your helpline isn't well stocked with great translators, look for this skill when you're next hiring. The main skill identified in most interviews is the ability to exaggerate achievements. This does not necessarily translate into the skill of translation.

Perhaps ask applicants to describe a mouse trap. My partner was asked this when applying for a patent attorney role. The ability to describe objects clearly, accurately, and in detail is critical in that profession. Those who do it well can expect to be compensated generously. If the industry is serious about keeping the public's attention and truly engaging them, it needs to value its communicators too. ■

## Preparing for off-payroll working

ACCORDING TO a Twitter poll conducted by MHR of over 1,200 people who are responsible for the preparations at their respective company, three in four UK organisations are not ready for changes to off-payroll working rules leaving their business exposed to potential rising costs and a significant skills shortage in the future. The new rules – also simply called 'IR35' – apply to private sector companies contracting workers supplied through their own personal service companies.



The reformed rules have been in place for public sector organisations since 2017. Analysis of Office of National Statistics data has found the number of off-payroll workers in the public sector (i.e. those classified as outside IR35) has dropped by 9%.

Neil Tonks, legislation expert at MHR, suggests these tips to prepare from a HR perspective to avoid falling foul of the new rules:

- carry out an audit of your contractors
- decide who is within scope of the new rules
- create a clear communications plan for the contractors
- introduce a new agreement policy setting out their status
- consider the true cost to your business of employing in-scope contractors
- set-up in-scope contractors on your HR and payroll system.

## pensionsync platform acquired

IN JULY 2019, two directors of KeyPay Ltd – a provider of cloud payroll platforms that was founded in Australia in 2012 – registered the company pensionsync limited in the UK. In August 2019, the pensionsync technology platform was acquired from Systemsync Solutions by pensionsync limited for £300,000. (Both 'pensionsync' and 'systemsync' are trading names of pensionsync ltd.)

In September 2019, Systemsync Solutions, which formerly owned the pensionsync platform, appointed an administrator. The administrator's proposals note that the company's "short term cashflow forecast indicated that the Company could not trade beyond mid-August 2019 unless funding was secured or a buyer found." The financial statements and management accounts of Systemsync Solutions for the period to 16 August 2019 show income of £129,952 and net loss of £629,669. The balance sheet shows assets totalling £25,000 and total liabilities of £911,562. A meeting of creditors was scheduled for 19 November.

(pensionsync was founded in 2015 to provide automated transfer of pensions data between employers and pension providers.)

## Decision makers trust HR data-based insights

ACCORDING TO new research findings from leading human resources (HR) and payroll provider SD Worx, obtained from surveying both HR and non-HR business decision makers, nearly three-quarters of European employers (69%) trust the HR department to provide HR data-based insights and appreciate the added value these can bring (73%). In addition, 53% of the respondents believe trust by non-HR decision makers in applying HR data-based insights has improved over the last two years and 56% expect this to improve further over the next two years.

The three biggest business areas where HR data-based insights can have impact are: employee costs (45%); employee satisfaction and engagement (45%); and productivity (42%). The top-three potential barriers for embracing HR data-based insights are: lack of communication between HR and the wider business (29%); costs associated with it (27%); and internal structures limiting innovations (27%).



## activpayroll opens office in Dubai

GLOBAL PAYROLL and tax compliance specialist, activpayroll, which is headquartered in Aberdeen, Scotland, has opened its first office in the Middle East. The new office in Dubai is situated in the centre of 'New Dubai', located in Jumeirah Lake Towers, Silver Tower. It will serve as a regional hub allowing the company to provide greater support to existing customers and also address the growing demand for its services both in the United Arab Emirates and the wider region. This presence in the Middle East demonstrates activpayroll's ongoing expansion and growing customer base across the globe.

Sian Odgers, business services director of activpayroll, said: "The UAE has become a strategic business hub for many global companies during the last two decades and establishing a presence in the UAE enables activpayroll to increase our customer support and demonstrates our commitment to providing services in the Middle East region."

## Kronos achieves record results

A RECORD adoption and revenue year for Kronos Inc. sees total revenue reaching \$1.433 billion, driven by human capital management (HCM) subscription of 30%. Amongst other successes, Kronos Cloud Payroll saw quarter-over-quarter growth and customer success with organisations recognising the value of unifying HR, workforce management, talent, and payroll into a single cloud suite.

Aron Ain, Kronos' chief executive officer, commented: "Workforce Dimensions has officially become the fastest-adopted solution in our history, while our exceptional growth in HCM led by Workforce Ready continues to drive new cloud opportunities worldwide."



## Managing staff

**Jerome Smail, freelance journalist,** researches what distinguishes a good manager, setting out the experience, attributes and skills which are considered to be essential for managing staff



Payroll professionals are renowned for their dedication to the job and take pride in doing things right and to the best of their ability. This has created an industry with a clear career path where workers frequently progress through the ranks. Inevitably, then, there comes a time when the conscientious, ambitious payroller reaches a crossroads with a signpost marked 'management'. The question that typically follows is: 'Do I have what it takes to make the step up?'

Jazz maestro Duke Ellington once famously remarked that there are only two types of music: good and bad. The same could be said of managers. Anyone can manage people, but some do it far better than others. In fact, some managers are so bad, they end up doing more harm than good to their organisation and the employees working under them.

Good managers, however, bring out the best in their team and inspire diligence

and loyalty.

A YouGov survey commissioned by MHR last year found that 80% of employees have experienced what they consider to be poor management, or a poor manager, at least once during their career. It also found that 73% of employees who have experienced poor management or a poor manager, have considered leaving a job; and, among these, a staggering 55% actually quit their job because of bad management. Over half (58%) of respondents said managers today weren't equipped to deal with the emotional or human side of management, with many describing managers as inexperienced, unapproachable, providing little or no constructive feedback on their performance, lacking people skills and failing to communicate effectively.

Chris Kerridge, employee engagement expert at MHR, highlights the importance of well-honed people management skills:

"While managers are commonly trained in company policy and organisational processes, most don't possess the people skills required to handle the human aspect of management and receive no training for this, which can have damaging and long-lasting repercussions when it comes to employee engagement, talent retention and wellbeing."

So, what makes a good manager? According to Kerridge, there are some key traits: "A sign of a good manager," he says, "is someone who is able to understand the personal and emotional needs of individuals, continually motivate them to get the best out of them but also able to demonstrate authority without causing upset and damaging productivity."

Dianne Hoodless, CIPP board member and payroll manager for Hyperion Insurance Group, lists some more boxes to tick. "Patience would be top of my list," she says, "not only with your customers but also your team."

Hoodless also cites the ability to plan and prioritise workload, as well as knowing when to delegate and not overpromise. Of course, there are also more payroll-specific traits that mark out would-be managers

**...80% of employees have experienced what they consider to be poor management, or a poor manager...**

in the industry. For example, knowledge of compliance is essential, and now that companies are moving into global markets, an understanding of how things are done in other countries also helps.

Fellow CIPP board member Liz Lay, admin and finance manager for Aldi Stores UK and Ireland, says being a payroll manager “requires the ability to be adaptable, to be able to manage change, to work to deadlines, to be a good communicator and to know your team”. She adds: “Adaptability is the key, being able to adapt your leadership style to the different requirements of both the task in hand and the team members. Each team member will have different skills and levels of experience. It is important to keep them motivated, know their strengths and weaknesses and provide opportunities for development where required and progression where possible.”

Kerridge agrees, believing that the biggest challenge in managing people is dealing with different types of personalities, egos, behaviours and emotions, as well as handling sensitive or difficult situations. “Every employee is different, and managers need to understand what drives their productivity, how they react to different situations, and recognise the impact their behaviour can have on others,” he says.

Holding regular one-to-one meetings will ensure managers properly get to know each person within their team, to learn exactly what they need and how they prefer to work.

“In difficult situations, making the effort

to listen is just as valuable as providing an effective solution,” says Aimée Treasure, head of marketing at recruitment company VHR. “Managers who give their employees the space and time to express their opinions and feelings will create engagement, trust and loyalty.”

***...managers can't know it all and, interestingly, vulnerability is a vital attribute to become a highly successful leader...***

Simon Ashton, head of learning and development at consultancy Phoenix Leaders, agrees that frequent communication helps to build trust between both parties “so individuals will feel comfortable and confident approaching managers about any concerns they may have”. He adds: “The ability to articulate and clarify tasks will help establish the goals and the purpose of the team.”

In addition to being active listeners, managers should provide their team with appropriate coaching, including timely and specific feedback that is both challenging and constructive, says Ashton. “A growth mindset is invaluable in order to keep an open mind and enables managers to view mistakes as an opportunity to develop,

rather than making snap judgments.”

Coach, trainer and speaker Sarah Jones emphasises the importance of flexibility “so managers can recognise exactly what leadership style is required at what moment”. Expanding on the point, she says: “When you are first working with a team, it may be effective to employ more of a directive style to ensure everyone is aware of what is expected of them and this can then be relaxed as you learn more about each other and ask for feedback and amount of direction required by each individual.

“Similarly,” she continues, “if a challenging situation arises it can be more effective to guide others towards the solution until the worst is over. Flexibility is also really important as everyone in the workplace will learn and communicate in a different way and as a manager you should be able to adapt accordingly to support others to excel.”

Treasure concurs, insisting that “adapting your management approach to each individual in your team is vital to get the best from each employee”. She adds: “The ability to tailor your management style to those with different job roles, perspectives, needs and challenges ensures every employee builds a strong relationship with their manager and fosters a diverse and inclusive environment.”

Of course, managers can't know it all and, interestingly, vulnerability is a vital attribute to become a highly successful leader, according to Kate Turner, founder and director of Motivational Leadership. “However,” she adds, “this attribute is very often misunderstood. For instance, many believe that to be vulnerable they have to expose their innermost thoughts, or spill out their childhood secrets, but this isn't the case at all. Rather, vulnerability is about bravery. It is about being courageous, having self-awareness and most importantly leaving our ego at the door. In addition to this, having an ability to envision and communicate what success looks like to your colleagues, and of course bring them along with you, is essential.”

Jon Cowell, chief executive officer at leadership experts Edgcombe, adds ‘humility’ and ‘integrity’ to the list of essential management attributes. He explains: “Humility protects against a feeling many managers struggle with: that they should have all the answers. This



can tempt managers into a style in which they serve as the answer to their people's problems, leading them to become overburdened and inhibiting their people from developing the autonomy and mastery which they need to develop and do their best work."

Integrity, meanwhile, protects against the risk that 'power corrupts', and is essential to building and maintaining trust. "Without the trust of their people," says Cowell, "managers have to rely on their positional authority, which is a highly precarious basis for managing."

So what advice would our experts give to payroll professionals looking to make the step up to management?

"Do it but make sure you have all the 'tools in your toolbox' to do it," says Hoodless. "By this, I mean know your stuff and feel comfortable about being challenged on it. Qualifications are a good start and ask as many questions as you can. You will always run into someone who is difficult but knowing how to manage that to a satisfactory outcome is important."

Lizzie Benton, culture consultant at Liberty Mind, advises: "If you are seeking to step up to management, I'd first ask yourself why? Are you looking to just increase your pay packet, or do you have a genuine desire to help and lead people?"

"Management is not suited for everyone, and unfortunately, bad managers can have a detrimental effect on team and business productivity. A good manager should be there to lead, not dictate. Read leadership books rather than 'management' books to get your mindset in the right place before you make the leap."

"If you are looking to secure your first management role, you could organise a meeting with your manager to discuss your career trajectory" suggests Jones. "Showing you want to learn more about how you can improve so you can take the next step demonstrates you are proactive, and they can put you forward for any necessary training courses," she says. "You can also put yourself forward to lead projects or team meetings to demonstrate managerial skills and to gain more experienced in a less pressured setting."

However, Jones warns the leap can be one which is difficult for those without management experience so it is important that adequate training and guidance is

provided by existing leaders, and that new managers are supported during the process and it is not just assumed they will automatically know exactly what to do.

"People management requires a very specific set of skills, and therefore a very specific type of training is needed which should be kept separately to the procedural side," agrees Kerridge.

**...learn from first-hand management success stories by speaking to other managers in your company and the wider network...**

You can also learn from first-hand management success stories by speaking to other managers in your company and the wider network to find out how they made the jump, suggests Treasure. "Speaking to employees about their managers will provide invaluable insight about what makes a good manager, and help you adapt this information to create your own management style," she adds.

Cowell, meanwhile, advises that you'll have to get used to two things: "First, you will rarely any longer feel the warm glow of achievement for yourself; you will need to learn to enjoy the rewards of seeing others succeed. Second, there will be times when you absolutely could do the job better yourself; the problem is that if you try to do it all, you won't be able to do

any of it justice."

Instead, Cowell recommends that you try to focus on doing those things that only you can do, and if others are not doing the job well enough, you need to act to ensure someone is in place who can. "This does not mean you should expect everything to be perfect: nobody is perfect," he says. "But don't get tempted into covering for someone who is struggling; help them, and if they can't get to the point where they are effective as quickly as you need them to, help them find something else to do and replace them. There is nothing more draining for a manager than a team that simply can't do the job."

But if any payroll professionals are in two minds about making the leap into management, it's a move Lay highly recommends. "Managing people can be a challenge as you will encounter difficult situations and resistance to change," she says, "but it can also be very enjoyable and rewarding seeing the team working together and individuals flourish and grow. There will always be new experiences and new challenges encountered in addition to the ever-changing landscape of payroll."

Remember, though, that being a great manager is a lifelong learning process. Ashton concludes: "Often, new managers feel that they must show the world how great they are straight away but only through experience can one recognise what works." ■

You never stop learning as a manager – but being open to new information and knowledge is a concept that will already be familiar to every payroll professional reading this. So, what's stopping you making the leap?



POOR

GREAT

## Performance management – a cautionary tale

**Jade Linton, senior associate at Thursfields Solicitors**, explores the risk employers face when focusing solely on the performance issue without addressing the underlying reason(s) behind it



Instances of poor performance are unhelpful for business and employers are permitted to address poor performance provided they do so fairly. However, sanctioning the ‘what’ before addressing the ‘why’ is not good for business.

### A recent case

In May 2019, a National Health Service (NHS) administrator was awarded £15,039 after her employer was found to have unfairly dismissed her for the repeated administrative errors she made after she developed cataracts (*Denise Regan v Kent Community Health NHS Foundation Trust* 2017).

The employment tribunal found that the Trust had unfairly dismissed the employee after it had set “unrealistic targets” for performance improvements despite the employee’s health condition. The tribunal said that once the employee’s visual impairment became known, it was unreasonable for the Trust to “persist in requiring improvement – at least not without medical confirmation she could achieve the improvement required”.

This ruling serves as a warning for employers that sanction employees for poor performance without exploring underlying reason(s) for it.

### The focus

The focus in any performance procedure

– also known as ‘capability procedure’ – should be on improvement and not punishment. If, after following a capability procedure – which should include setting fair, realistic targets, supervision training and support – an employee’s performance has not improved, only under these circumstances might a sanction (a warning) be justified with dismissal being the ultimate outcome if a sustained improvement is not seen.

**...only under these circumstances might a sanction (a warning) be justified with dismissal being the ultimate outcome...**

### Why?

There will almost always be a ‘why’ in every instance of poor performance – ‘why’ being the reason – if not the main reason – for the unsatisfactory performance. The extent to which an employer will be required to establish and deal with the reason behind the poor performance will vary from situation to situation.

Where the ‘why’ is resolvable or is linked

to a protected characteristic (e.g. disability making it difficult for an employee to complete certain tasks) an employer would be expected to consider this reason when deciding on an appropriate sanction and/or when setting targets aimed at improvement (such as adjusting targets). An employer may be expected to signpost employees to particular services that may assist them in overcoming the reason for their poor performance (e.g. counselling services for personal matters impacting performance).

### Addressing the ‘what’

An employer that disciplines an employee for poor performance without considering underlying reasons effecting performance may risk a finding of unfair dismissal if that employee is eventually dismissed.

It is for the employer to establish the reason or principal reason for dismissal in any unfair dismissal claim. Lack of clear evidence showing the employer considered whether other factors could have led to the poor performance is likely to prevent the employer demonstrating capability as a reason for dismissal.

The law requires an employer to follow a fair procedure in managing poor performance. A ‘fair procedure’ will undoubtedly include consideration of external factors affecting performance and the provision of reasonable assistance in resolving such issues if it is in the employer’s power to do so.

**Example**

Rosemary has worked for Thyme Payroll Ltd for thirteen years as an administrator. For the past six months her performance has become more and more erratic, her letters are illegible and her interactions with colleagues and clients has become hostile.

● **Focus on the ‘what’** – Thyme disciplines Rosemary for poor performance; she has worked for the company for long enough to know better.

Rosemary is invited to a capability meeting where she is given a final written warning with the threat of dismissal if her performance does not improve.

● **Focus on the ‘why’** – On the basis Rosemary’s performance is out of character, an informal meeting is arranged between Rosemary and her manager, Basil. At this meeting Basil provides Rosemary with examples of errors in her work and asks for her to comment.

Basil asks if there are underlying issues Rosemary wishes to make him aware of. It transpires Rosemary is taking medication for a heart condition; the medication affects her moods and results in blurred vision hence the administrative errors.

Rosemary gives her consent for Basil to make a referral to Occupational Health. In his letter Basil provides the doctor with a copy of Rosemary’s job description, examples of the administrative errors in her work, a copy of the company’s capability policy and his suggested targets for improvement. Basil asks for the doctor’s expert medical opinion on Rosemary’s condition and the impact it has on her performance, including whether in his/her medical opinion Rosemary is capable of carrying out her substantive duties, suggestions for adjustments (if required) and comment on his suggested targets for improvement.

*...consider ways in which parties can work together to improve performance to an acceptable level*

You will see from this example the contrast between a process focused only

on poor performance and one which addresses poor performance by seeking to establish the underlying reason for it before deciding on an appropriate response. The former approach may be problematic for Thyme Payroll Ltd if Rosemary is dismissed, whereas the latter approach ensures the underlying reason is managed as part of a procedure aimed at giving the employee a reasonable opportunity to improve, with manageable targets before a sanction is given.

**Conclusion**

A well-drafted capability procedure is useful to address the concerns regarding an employee’s performance and to consider ways in which parties can work together to improve performance to an acceptable level. A failure by an employer to consider underlying reasons for poor performance could result in sanctions being given unjustly and in the event of a dismissal a finding of unfair and/or a discriminatory dismissal in some cases.

A reasonable employer should always seek to establish the ‘why’ before sanctioning the ‘what’ in cases of poor performance. ■

# Off-payroll working and other employment status considerations

**One day**

This course explains how to assess employment status, the financial risk of getting it wrong, the right to work in the UK and a variety of modern employment practices. It covers recent developments such as the IR35 process changes (‘off-payroll working’) and possible future developments following various Government consultations.

**This course covers:**

- Optional remuneration arrangements
- Legislation and salary sacrifice case law
- Contractual implications
- Effective arrangements
- Payroll implications
- Salary sacrifice and noncash options

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# A week in the life of...



## **Georgina Codling MCIPP,**

*payroll & people operations manager, St James Places Wealth Management*

### Monday

What a start to the week: a 9am project meeting to finalise the system sign off of our employee self-service (ESS) system that is going live next week, the big win being electronic payslips. No longer will the team have to print payslips and unjam the sealing machine; and the post room breathes a sigh of relief. Testing has thrown up a few last-minute changes, and the communication to finalise. It also means some changes to our existing processes as employees will be able to update their own address and bank details in the system.

The payroll team are having a section within the company's benefits portal, and we're launching a FAQ page. I've left it with the team to brainstorm ideas and the design and then we can run through in the next catchup

Weekly huddle to discuss workloads and priorities and a good chance to update the team on ESS.

### Tuesday

More testing and some decision-making regarding an element of self-service that we may delay until phase two.

Off to the gym at lunch for a kettlebell class, which is guaranteed to help me focus during the afternoon.

A meeting regarding our UK team completing the accounts for our Asia office, which will impact employee records, cost centres and journals within the system. So it's time to consider a proposal by our in-house system support team as to the best-practice approach.

Spent time with our senior manager and certification regime administrator. We

are working with the project team to put in place processes and checklists and also system build for the changes. Plenty of engagement needed with the business over the coming months.

### Wednesday

Working from home means a chance to start or get to grips with more team-focused work and tasks on my to-do list.

One of my direct reports is having a well-deserved rest this week, which means a flurry of emails and people calling in sick to deal with. (It's that time of year.)

I usually focus on specific items of work, be that a proposal paper, team planning or project scoping. Today I look ahead to 2020 and put together a plan for our objectives and the projects that we need or would like to deliver, with the focus very much on continuous improvement. There is also some meeting planning and preparation to do.

I have a Microsoft 'teams' call this afternoon with human resources (HR) and reward – I keep the camera turned off as working from home means no makeup or hair styling. We discuss commencing a plan for a group HR and payroll function, ensuring careful consideration to consult with all the right stakeholders.

### Thursday

Frist job of the day is to check and sign off the monthly return to HMRC. We are making some previous year adjustments this month; although we have approval from HMRC to make these and have previously submitted such returns I still feel nervous that we are suddenly going to find a penalty notice in our in-box.

This morning I have the weekly 'IR35'

workshop. We seem quite advanced with our project compared to other companies, identifying system and process changes that need to be scoped. The administration of contractors sits within my team so we are feeling the change from both an admin and payroll perspective and there will be a need to run two extra payrolls a month. We are, however, making a gain, as contractor details which were on a spreadsheet will now be automated.

It's also the penultimate go-live ESS meeting, with the final reading of the communications before launching the icon on Monday.

I prepare for Monday's weekly team huddle, setting out the key agenda items I need to bring them up to speed on.

### Friday

Weekly payroll catchup with my line manager this morning. He attended a senior leadership team meeting yesterday, so its good to have a catchup on what was discussed.

I have a 1:1 with a member of the team who is covering for my direct report. It's really important to establish rapport so that I am confident in us working together effectively. We go off to the local coffee shop and discuss the week. She is also looking after our apprentice so it's a good opportunity to catch up on their progress and learning.

Some quiet time this afternoon, to start work on the paper scoping our potential in providing the group HR admin and payroll function. This feels me with dread and excitement, at the same time.

Diary check for the coming week: have I completed the necessary preparations and blocked out some free time? Oh, and Friday is payday! ☐

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## Consultancy

### Chartered Institute of Payroll Professionals

Goldfinger House, 245 Cranmore Boulevard, Shirley, Solihull, West Midlands, B90 4ZL  
Tel: 0121 712 1000 Fax: 0121 712 1001  
Email: [consult@cipp.org.uk](mailto:consult@cipp.org.uk)  
Website: [www.cipp.org.uk](http://www.cipp.org.uk)

The CIPP offers a global consultancy service for organisations wishing to undertake a global payroll project. We are able to offer experienced and impartial advice on:

1. What global payroll is
2. How to select and implement a global payroll solution
3. How to move it to shared services and potentially outsource

We will also advise on how to use analysts and advisors, and how to select an implementation partner.



### Lite Consulting

Clover House,  
John Wilson Business Park,  
Whitstable, Kent,  
CT5 3QZ  
Tel: 01227 206495  
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Website: [www.liteconsulting.co.uk](http://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 Fax: 0121 712 1001  
Email: [compliance@cipp.org.uk](mailto:compliance@cipp.org.uk)  
Website: [www.payrollcompliance.org.uk](http://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

### Alight Solutions

3 Lloyd's Avenue, London, EC3N 3DS  
Tel: + 44 7545 938916  
Contact: Zoe Patrick  
Email: [zoe.patrick.2@alight.com](mailto:zoe.patrick.2@alight.com)  
Website: [www.alightsolutions.com](http://www.alightsolutions.com)

As the leading provider of cloud-based HR and financial solutions, we enhance work and life through service, technology and data. Our 22,000 colleagues across 14 global delivery centres deliver an unrivalled consumer experience for our clients and their people. We help clients navigate the complexities of payroll administration, providing support from process and technology deployment, end user and ongoing technology support. We are Alight. Reimagining how people and organisations thrive.



### Frontier Software

63 Guildford Road, Lightwater, Surrey, GU18 5SA  
Tel: 0845 3703210 Contact: Sales Department  
Target Employee Range: 50+  
Email: [sales@frontiersoftware.com](mailto:sales@frontiersoftware.com)  
Website: [www.frontiersoftware.com](http://www.frontiersoftware.com)

Frontier Software's payroll service is tailored to each organisation as we understand that each has its own requirements. From bureau to fully managed, we offer security and backup to ensure a smooth and confident payroll operation. We are auto-enrolment and Real Time Information ready.

• **Dedicated experienced payroll team** • **Accurate, flexible and reliable service** • **Business disaster recovery** • **UK Processing centres** • **BACS approved bureau** • **PAYE Recognition Scheme accredited**



### Moorepay Ltd

Lowry Mill, Lees Street, Swinton  
Manchester, M27 6DB  
Email: [sales@moorepay.co.uk](mailto:sales@moorepay.co.uk)  
Tel: 0845 184 4615  
Website: [www.moorepay.co.uk](http://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.

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### OneSource Virtual

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Tel: +44 (0) 208 895 4657  
Email: [info@onesourcevirtual.com](mailto:info@onesourcevirtual.com)  
Contact: UK Sales Team  
Website: [www.onesourcevirtual.com](http://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.



# Useful contacts

## Zellis UK Limited

Peoplebuildings 2, Maylands Avenue, Hemel Hempstead, HP2 4NW  
Tel: 0800 035 0545  
Email: hrsolutions@zellis.com  
Website: www.zellis.com

We believe the employee experience has two sides: the fundamentals and the stand out moments that employees really care about. We're here to help you master both.

Zellis is a market leading provider of Payroll and HR services. With over 50 years' experience, we have a strategy shaped around your people and a proven track record of ensuring that employees across the UK and Ireland are paid on time. Through our powerful tools and services, we help you simplify processes, understand employees and unleash productivity.



## Integrated payroll and HR

## Cascade HR Ltd

One City West, Gelderd Road, Leeds LS12 6NJ  
Tel: 0344 815 5566  
Contact: Mike Alsancak  
Email: info@cascadehr.co.uk  
Website: www.cascadehr.co.uk

Founded in 1992, Cascade HR has grown to become an award winning provider of fully-integrated HR and HMRC-recognised payroll software. The technology comprises a number of proactive modules including core HR, Payroll, Training, Recruitment, Recruitment, Self Service, Workflow, Auto Enrolment, Timesheets and Expenses. These resources are all designed to streamline HR efficiencies, reduce costs and improve strategic contribution. In April 2014 we were acquired by the IRIS Group – a flagship acquisition that allows us to operate as an independent division of a multi-division corporation.



## Cintra HR & Payroll Services

Computer House, 353 High Street 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.



## Equie Ltd

Fretrade Exchange, 37 Peter St, Manchester M2 5GB  
Tel: 0161 939 0111  
Email: sales@miracle-dynamics.com  
Website: www.miracle-dynamics.com

Miracle from Equie2 is the leading Payroll and HR solution for Microsoft Dynamics NAV. Our HMRC recognised solutions can address the most complex HRM information management requirements with our sophisticated functionality. Today our solutions are run by 1,000 companies worldwide from below 50 to over 40,000 employees, in a diverse range of sectors including construction, leisure, retail, recruitment, umbrella, IT, manufacturing and many more.



## Frontier Software

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Target Employee Range: 50+  
Email: sales@frontiersoftware.com  
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ichris is a date based system that streamlines the payroll process through the use of powerful, flexible and easy to use features. User defined payroll parameters ensure the system can be customised to meet your business rules, for example, pay rates, absence and leave. Maintained in line with statutory legislation and recognised by the HMRC PAYE Recognition Scheme, the software is available for delivery on-premise, in the cloud or as a payroll processing service. Frontier Software is an ISO 9001 and ISO 27001 accredited company, offering a range of fully integrated HR modules that include Self Service for on-line payslips, 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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Website: www.zellis.com

Formerly the UK and Ireland division of NGA Human Resources, Zellis is now a standalone business providing Payroll, HR and Managed Services to UK and Ireland based companies with over 500 employees.

With over 50 years' experience and 2000 employees Zellis is the largest business of its nature in the UK. We count over a third of the FTSE 100 as customers, serve 5million customer employees and processes in excess of 60 million payslips a year.

We are also the people behind ResourceLink, the award-winning Payroll and HR software. So, if you're looking for market leading payroll and HR services we'd love to have a conversation.



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Frontier Software Payroll Outsourcing Services offer traditional 'process and deliver' bureau arrangements through to fully managed service contracts. Your business will 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 accuracy, efficiency and flexibility, we can be relied upon to ensure the timely payment of your staff. Payroll data can be provided manually or through access to ichris, our Payroll/HR software suite that enables data to be securely entered from any location using a range of devices.



- You select the service level and method of operation
- Software located at your premises or ours
- Automatic updates in accordance with changes in statutory legislation

### Payroll Business Solutions Ltd

6 Bourne Court, Southend Road,  
Woodford Green, Essex IG8 8HD  
Tel: 020 8550 7758 Fax: 020 8551 8861  
Contact: Nick Hooper 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.



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Website: www.frontiersoftware.com

ichris payroll software is tested and recognised by HMRC's PAYE Recognition Scheme and is supplied with all the core functionality you would expect from an established provider, including statutory tables and reports that are maintained through upgrades. The software is compliant with legislative requirements in each country of operation and can be used to create both standard reports and statutory output. Payslips can be paper or delivered directly to the individual via email or self service, to meet employee expectations in the digital age. Payroll can be provided with fully integrated HR, Expenses, Vehicle Management and P11D if required.

- All payroll parameters can be user defined according to requirements
- Compliance with payroll rules and regulations including RTI and auto-enrolment
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- Integration with finance and other systems to save time and avoid duplication of effort



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Email: sales@moorepay.co.uk  
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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: 0800 0390116 Fax: 0800 0390117  
Contact: Fiona Cullinane  
Email: sales@intelligosoftware.com  
Website: www.intelligosoftware.com

Intelligo is a leading provider of corporate Human Resource and Payroll Software and Services in the UK and Ireland with clients ranging in size from 300 to 20,000+ employees. Intelligo's flagship payroll product, Megapay is the Number 1 payroll system for corporate organisations and public sector. Megapay is used throughout all major industry from Manufacturing, Top 5 Accounting Firms, Government Departments, etc. As a Certified Workday Global Cloud Partner, the system fully integrates with Workday. In addition, Megapay also interfaces with leading T&A and Financial applications. Megapay is available to purchase as either an On Premises installed solution or on a Hosted basis.

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Tel: 020 8550 7758 Fax: 020 8551 8861  
Contact: Nick Hooper 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 UK Limited

Peoplebuildings 2, Maylands Avenue, Hemel  
Hempstead, HP2 4NW  
Tel: 0800 035 0545  
Email: hrsolutions@zellis.com  
Website: www.zellis.com

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## Payroll training and qualifications

### Chartered Institute of Payroll Professionals

Goldfinger House, 245 Cranmore Boulevard, Shirley,  
Solihull, West Midlands, B90 4ZL  
Tel: 0121 712 1000 Fax: 0121 712 1001  
Email: info@cipp.org.uk  
Website: www.cipp.org.uk

CIPP is the leading provider of education in the payroll, pensions and reward industries, delivering qualifications from apprenticeship level through to MSc. A variety of excellent payroll, pensions and reward training courses are also held nationwide throughout the year.



## 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.



### PayDashboard

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



## Professional bodies

### The Chartered Institute of Payroll Professionals

Goldfinger House, 245 Cranmore Boulevard, Shirley,  
Solihull, West Midlands, B90 4ZL  
Tel: 0121 712 1000 Fax: 0121 712 1001  
Email: info@cipp.org.uk  
Website: www.cipp.org.uk

CIPP's purpose is to elevate the standing of the payroll, pensions and reward professions. The Institute has education and business services subsidiaries offering end-to-end resources including the recruitment of quality personnel, benchmark qualifications and training courses. The Institute works closely with government to ensure the practical implementation of relevant legislation.



## Recruitment agencies

### Frazer Jones

95 Queen Victoria Street, London, EC4V 4HN  
Tel: 020 7415 2815  
Email: [Fjpayroll@frazerjones.com](mailto:Fjpayroll@frazerjones.com)  
Website: [www.frazerjones.com](http://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](mailto:helen.livesey@hays.com)  
Website: [www.hays.co.uk](http://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

Brewmaster House, 1 The Maltings, St Albans, Hertfordshire AL1 3HT  
Tel: 01727 800377 Fax: 01727 221220  
Email: [jga@jgarecruitment.com](mailto:jga@jgarecruitment.com)  
Website: [www.jgarecruitment.com](http://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.



### Payroll Elite Ltd

1146 High Road, Whetstone, London, N20 0RA  
Tel: 0203 815 7064  
Email: [vacancies@payrollelite.co.uk](mailto:vacancies@payrollelite.co.uk)  
Website: [www.payrollelite.co.uk](http://www.payrollelite.co.uk)  
Twitter: @payrollelite LinkedIn: payroll elite

Payroll Elite have been specialising in providing payroll personnel for the past 20 years within the private and public sectors. As a highly reputable consultancy and major contributor in the world of payroll recruitment, we offer comprehensive contract and permanent recruitment services by pre-selecting candidates that match the clients' needs and requirements. All candidates are referenced and interviewed prior submission to client.



### Portfolio Payroll

One Finsbury Square, London EC2M 7LD  
Tel: 020 7247 9455 Fax: 020 7256 5421  
Email: [recruitment@portfoliopayroll.com](mailto:recruitment@portfoliopayroll.com)  
Website: [www.portfoliopayroll.com](http://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.



## Time and attendance

### Frontier Software

63 Guildford Road, Lightwater, Surrey, GU18 5SA  
Tel: 0845 3703210 Contact: Sales Department  
Target Employee Range: 50+  
Email: [sales@frontiersoftware.com](mailto:sales@frontiersoftware.com)  
Website: [www.frontiersoftware.com](http://www.frontiersoftware.com)

With TA21 Time & Attendance software users benefit from access to working hours for all employees regardless of individual work patterns and can quickly identify issues in particular areas. TA21 provides all the control and information needed to effectively manage employee attendance – with the minimum of administrative overhead. Offering flexibility for data capture through a variety of input readers, e.g. Magnetic Stripe, Barcode, Proximity Card and seamless integration with our payroll software to avoid mistakes from manual time keeping methods.

- Capture employee attendance across multiple sites
- Unlimited patterns for work, shift, breaks, etc can be defined
- Automated approvals to efficiently control overtime costs
- Reporting tool to monitor and analyse attendance data
- Fully integrate with our payroll and absence management software



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