Official publication of The Chartered Institute of Payroll Professionals

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 57
February 2020

Automation

The future of payroll
Industry tension

The human touch
Change management

CEST – new improved
The catch

Off-payroll working (IR35) webinar

Our off-payroll working webinar is well underway. The one-hour session hosted on Adobe Connect has been a huge success so far, so make sure you don't miss out. The three main topics covered are:

- Off-payroll working
- IR35 legislation
- Employment intermediary's legislation

Book online at **cipp.org.uk/training**, email **enquiries@cipp.org.uk** or call 0121 712 1000 for more information.

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40 YEARS OF LEADING THE PROFESSION

"Learn from yesterday, live for today, hope for tomorrow."

Albert Einstein (1879–1955) (http://bit.ly/2Trnqlq)

Editor's comment

Happy New Year!

The start of any new year is always a convenient moment to introduce change. Well, from this first issue of 2020 a few structural changes have been introduced to *Professional* magazine.

The structural changes comprise four new sections – My CIPP, Compliance, Reward, and Technology – which are intended to better reflect your roles and membership. One effect is that articles on the issue's feature topic might therefore be found throughout these new sections. But be assured that the quality and informational content of every issue of *Professional* will not be diminished.

A different kind of 'new year' looms large, but at the time of writing there are concerns over timeous implementation of related changes. It is to be hoped that the government announces the new earnings bands and thresholds of National Insurance contributions etc soon so that accurate calculations of pay occur from the start of tax year 2020/21. Unfortunately, some income tax changes are likely to occur later with unusual results – see page 21.

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

Chair's message

Welcome to a new decade for payroll and pension professionals. And welcome also to our two new board directors, Claire Warrington and Katie Sharpe.

This issue features the topic of automation, and I thought it might be useful to reflect on my history to demystify how automation has helped us throughout the ages. I started my career in the days before computerised payroll systems. Each week a tin plate had to be pressed for any new starter to be added to the pile of already pressed plates, that had details of the employee including name, work number, tax code and National Insurance number. These tin plates would then be organised for a printing press to run carbonised sheets across them, to create the structure of the payslip – one copy for the wage office, one copy for the operational area and one to be added to the payslip. The detailed calculations were then built up by hand from the timesheet and recorded, all using tax tables and not a calculator in sight, until you had proven your numeracy. This may sound like an antiquated routine, but there was no quicker way until the dawn of computing – and wow, what a revolution has followed.

So, ask yourself to identify what processes are being completed today that may be appropriate to evaluate and review for justification of developing process automation to remove the manual steps currently in place. My week at the start of my career was consumed with pulling together all the details of any new starters and then adding them to files for preparing timecards and timesheets and then distributing those across the business via internal mail (remember that?). So many items may be reduced by holding a smart review to try and eradicate waste. With process review now a common feature of daily working practices, automation completed safely and securely, with adequate checks and controls, can be a real game-changer in freeing up precious time.

Jason Davenport MCIPP MIoD (jason.davenport3@cipp.org.uk)
Chair, CIPP

CEO's message

So, another year done, and gone so fast, but in our industry we just carry on and it's 'more of the same'!

After another very successful year for the CIPP led by the board of directors and the CIPP team, we continue to strive for being at the forefront of continually promoting payroll and pensions education, training and membership. As professionals we now face a year of 'Brexit' and what that may or may not bring to our business. We will ensure that we keep you updated on anything that may impact our industry.

And this year we will be celebrating our 40th anniversary of payroll education, training and membership. With the Association of Payroll and Superannuation Administrators (APSA) initially opening the door to the public sector in 1980, followed by the British Payroll Managers Association (BPMA) doing the same for the private sector in 1985, we celebrate 40 years of ensuring we have a professional industry that has come along in leaps and bounds.

At the time of writing the general election has produced a definitive result. So, in view of pre-election promises I wonder what awaits us legislation wise on off-payroll working rules ('IR35') for the private sector being amended or reviewed? Hopefully we will know by the time this magazine goes to print.

And as members you are continually updated by our policy and research team through our regularly updated online journal: *Payroll: need to know, your guide to UK payroll legislation and reporting*, an invaluable benefit of your membership.

I extend a warm welcome to our two new board directors, Claire Warrington and Katie Sharpe. Their profiles and how they will represent you as members are on display at **www.cipp.org.uk/CIPPteam**. Thanks of course to the outgoing directors, Karen Thomson, Ian Whyteside and the past director Suzanne Gallagher – their service to you, the members, as well as the CIPP is highly appreciated.

All that remains is to wish you all a successful and prosperous 2020.

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

PROFESSIONAL
in Payroll, Pensions & Reward

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40 YEARS OF LEADING THE PROFESSION

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Articles
Please support this magazine so that it can continue to be a part of your membership package.

Being payroll

Olivia Dunham ChFCIPPdip, head of global payroll and employment tax, Cambridge University Press looks at the benefits of being part of the CIPP

Why did you become a member of the CIPP
What attracted me to become a member was all the support that the CIPP give their members, and they are the voice of the members to the government and to HM Revenue & Customs. The Institute has raised the profile of the profession and given us the respect that we deserve.

How has CIPP membership helped you in your career?
It has helped by giving me the confidence to progress, and to do my job the best that I can from both a payroll administrator to a payroll manager.

Tell us a time when you felt CIPP membership has helped your organisation
That would be every time we contact the CIPP, especially the Advisory Service. We know that the information we are getting is going to be best practice and compliant, so it helps the organisation know that what we are doing is correct. It also gives support to the team knowing they have got the CIPP behind them.

Tell us about the day you realised CIPP membership was a real value to you.
So, that would be when I first found the CIPP existed, to be honest. I was looking for jobs and all the vacancies were requiring a CIPP qualification, so I went on to the website and had a look and found out all about it and knew at that point that it was something I needed for my career.

For someone who is thinking about joining as a member, what would your advice be to them about what they can gain from joining?
Membership of the CIPP gives you opportunities to network with like-minded professionals where you can talk about various issues you might be having and support each other – not just in the UK but globally as well.

How did you feel when you got your Chartered membership?
I was so proud. I have worked so hard and this is justifying all the hard work that I have done. My family are also really proud, and they have heard about Chartered accountants and Chartered HR professionals and now they see me at the same level as them – and that's great.

Why was it important to you to become a Chartered member of the CIPP?
It was and is important to me because of all of the hard work that I had put in but also its about raising the professional standing of the profession in the small world that I live in and its also helping me to gain respect from my employer.

If you would like to be part of the being payroll series, please email **info@cipp.org.uk**

BE PROFESSIONAL. BE EFFICIENT. BE UNITED. BE PASSIONATE. **BE PAYROLL.**

Getting to know...

Newly elected **CIPP board director Clare Warrington MSc FCIPPdip AFHEA** reveals her industry history, skills, pleasures and ambitions

I started in payroll at age sixteen working in the Youth Training Scheme for a large retail company. I worked my way up to managing the payroll, pension and human resources departments.

After fourteen years I decided to get some experience in the public sector and moved to the National Health Service (NHS) as a payroll manager, and then went on to manage a large shared service centre for NHS customers.

I now work at Gist an international logistics company heading up eight payrolls in the UK and Republic of Ireland.

I have a very busy life always on the go but when I do get some free-time I love to go to the gym which helps me offset the busy social life I have, be that with family and friends or my wider payroll family.

I've been a member of the CIPP for over nineteen years and began studying the Payroll Diploma in 2000. Later in 2011, I gained the MSc in Payroll and Business Management.

I'm a tutor for the Institute, teaching students on the Payroll Foundation Degree for more than seven years, and I regularly attend the CIPP's annual conference and other CIPP events throughout the year.

My new role as a CIPP board director means I can be part of a team to drive the payroll profession forward and ensure we are at the forefront of an ever-changing payroll world. It's an honour to be able to represent my profession on the board.

My passion for payroll and work-based learning is evident when I am teaching students or advising stakeholders, so this is a fantastic opportunity for me to be part of a brilliant team.

I am honoured to have been voted in by our members and thank them for giving me this opportunity. It is a dream role to be part of a team at the rock face of payroll, helping change and shape the future.

Looking ahead, I see many challenges in 2020 and the possibility of changes to legislation in the payroll once Brexit has completed.

I would like to focus on my induction to this new role and getting a better understanding of the challenges we face.

To contribute to the Institute's future strategy, I bring over thirty years of knowledge in payroll in both private and public sectors, and have experience with in-house, shared services and bureau payrolls. Furthermore, my experience as a tutor has given me the foundations of understanding some of the key strategies for CIPP by being part of the core delivery of training.

The future for payroll, pensions and reward will focus on change, whether that is in technology, legislation or continuous improvement. Change brings challenges and as a profession we need to be ready to meet them. I am really focussed and looking forward to these challenges. ■

CIPP 2019 Annual General Meeting

The Institute's AGM was held on 5 December 2019, in London. Minutes of the meeting include the following:

Approval of the minutes from the last AGM – 4 December 2018 – Approved.

Election of new board members – Jason Davenport, CIPP chair, thanked directors Suzanne Gallagher, Karen Thomson and Ian Whyteside who had all stood down (the latter after nominations procedures had completed).

Clare Warrington and Katie Sharpe were elected to fill the two positions.

Approval of accounts for year ending 30 June 2019 – Motion approved: for 403, against 5.

Approval of re-appointment of Haines Watts as auditors – Motion approved: for 382, against 25.

Any other relevant business – None

Close – Jason extended thanks to the CIPP's chief executive officer, senior management team, employees and tutors.

On your behalf

Policy team update

Samantha Mann MAAT MCIPPdip, CIPP senior policy and research officer, provides an update on developments that will affect your work and role in the near future

The Queen's Speech

The second Queen's Speech of 2019, delivered on 19 December, came with briefing notes that revealed and, in some instances, repeated the government's plans for the coming months (and, in all probability, years). It was an opportunity for us to get a glimpse at the outcome of recent consultations.

● *Employment (Allocation of Tips) Bill* – Aimed at employers in Great Britain (England, Scotland and Wales) this clarified the outcome of recent consultation work. Repeating the government mantra to provide working conditions that are 'fair and transparent' the main elements of the Bill are to introduce:

- a legal obligation on employers: to pass on all tips, gratuities and service charges to workers without any deductions (other than income tax and National Insurance contributions (NICs)); and to distribute them in a fair and transparent manner where they have control or significant influence over the distribution
- the requirement for employers to follow a statutory code of practice when distributing tips. The code will set out the principles of fair and transparent distribution.

(When the government say 'without deductions' this is not referring to employers' obligation to deduct income tax and NICs where applicable.)

● *Employment Bill* – The Speech confirmed again that the government will take steps to make work fairer, introducing measures that will support those working hard.

Following the consultation held in summer 2019, we now know that plans are afoot to create a single enforcement body, which, amongst other things, will strengthen workers' ability to get redress for poor treatment.

> ***...new laws will provide greater powers to tackle irresponsible management of private pension schemes***

Also repeated was the Chancellor's earlier announcement of intentions to increase the national living wage to two-thirds of median hourly earnings and to lower the age threshold for those who qualify from 25 to 21 within the next five years.

Further details will be included in the Budget.

● *Pension Schemes Bill* – This Bill aims to help people plan for the future, with measures brought forward to provide simpler oversight of pensions savings.

To protect people's savings for later life, new laws will provide greater powers to tackle irresponsible management of private pension schemes.

The ambitious aim of this Bill, as we know from the previous 2019 Speech, is to support pension saving in the 21st century. This Bill, which inevitably will impact the work of payroll significantly, will also bring forward a legislative framework for the introduction of the dashboard for pensions.

Along with the enhanced powers planned for The Pensions Regulator it will be a foolhardy employer or pensions administrator who fails to keep up to date with these developments.

Addressing the NPA anomaly

The Conservative party's manifesto for the 2019 general election stated that: "A number of workers, disproportionately women, who earn between £10,000 and £12,500 have been missing out on pension benefits because of a loophole affecting people with net pay pension schemes. We will conduct a comprehensive review to look at how to fix this issue."

The CIPP is amongst a group of leading pensions and tax experts – the Net Pay Action Group (NPAG) – calling on the government to act quickly to deliver this manifesto promise to fix an unfair tax flaw. This flaw means around 1,700,000

low-income workers (mostly women) are being unfairly charged 25% more for their pensions as a result of the way their employer's pension scheme operates.

NPAG, which comprises pension providers, lawyers, tax specialists, payroll specialists, employers, consumer groups and policy experts, has warned that this issue threatens to damage public confidence in auto-enrolment, widen the gender pensions gap, and let down those who need to increase their retirement savings most.

Many employer pension schemes provide the government-funded savings incentives (generally referred to as 'tax relief') through a system called relief at source (RAS), enabling employee members to get tax relief added to their pension fund automatically via HM Revenue & Customs (HMRC). However, some pension schemes operate the net pay arrangement (NPA) thereby giving tax relief on contributions through the payroll; which works well for most scheme members but not those who earn less than the £12,500 income tax personal threshold. This latter group neither receive tax relief on their contributions nor the amount paid into their RAS scheme by HMRC, and so are effectively worse-off when compared to higher earners in NPA schemes and those in RAS schemes.

As a first step, the NPAG has called on the government to provide a firm timeline for its pledged review of the system and to commit to implementing a solution. It is urging the government to consider its proposed simple and comprehensive solution which requires HMRC to use the data it already collects via PAYE (pay as you earn) real time information to identify after the tax year end those who have contributed to a NPA scheme and have not earned enough to obtain the full tax relief on their pension contributions. HMRC could then inform the affected individuals of the amount via the P800 process, enabling either a payment (tax refund) or offsetting against other tax liability. (Those in self-assessment could claim relief via their annual tax return.)

DLME call for evidence

With so much consultation work with stakeholders grinding to a halt during the election purdah, it was always going to be interesting to see who would be first to get started again. Unsurprisingly given the focus over recent years, the first out of the traps was a call for evidence from Matthew Taylor, director of labour market enforcement (DLME), to inform his strategy for 2020/21 (http://bit.ly/39sK8yQ).

Taylor has also opened the bookings for his roundtable meetings.

...consider its proposed simple and comprehensive solution which requires HMRC to use the data it already collects via PAYE...

The focus for this year is to focus on four areas that are at high risk of low compliance: hand car washes, agriculture, social care, and construction.

The consultation period ran from 16 December and closed on 24 January. Taylor will present the strategy to government by the end of March 2020.

The consultation paper opens discussion about the risk of non-compliance in other sectors, particularly with a view to hearing about improvements that may have been made to the protection of workers' rights. In conclusion, it also looks at the subject of future trends and emerging issues such as IR35/off-payroll reforms, umbrella and supply chain challenges and the growth of online apps for recruitment agencies.

The CIPP policy team will feed into this work in due course, so watch this space (and *News Online*) as we feedback our progress to you in future editions.

Given the fundamental role that payroll has in delivering good compliance, your views and experiences have significantly impacted previous strategies of the DLME. We are confident they will continue to have similar effect in the future.

BTA issues

Early in 2019 we had been receiving anecdotal evidence from members, employers and tax professionals telling us that there was still much discontent with the accuracy and reliability of the HMRC's Business Tax Account (BTA) or 'dashboard' as it is also referred to.

To comprehend the level of dissatisfaction of the results that the dashboard provides, we ran a poll on our website during May 2019, to which we received 300 responses. As you can see, 29% told us that in their experience the information on the dashboard was never accurate.

When checking your PAYE for employers section of the BTA do you find that:

Results are never accurate	29%
Results are sometimes accurate	29%
Accurate now I have established a regular pattern	11%
I have never checked	17%
I have given up checking	14%

We passed the results to HMRC which took your comments on board. This resulted in HMRC extending an invitation to the policy team together with members to meet with them to discuss the accuracy and reliability of the PAYE for employers' section. All who attended the meeting found it interesting and useful.

Ahead of the meeting, members were asked to provide examples in which the BTA was providing incorrect information. However, it transpired that enhancements made to the BTA meant that many of the issues highlighted in the examples had already been resolved. There are, nonetheless, issues still to be resolved, one of which involves revocation of the employment allowance, which we hope HMRC will address before changes have effect in April 2020.

We hope to bring you more information about the enhancements to the BTA in a future edition of *Professional* magazine but in the meantime please share with us your recent experiences of using the BTA by email to **policy@cipp.org.uk**.

Have your say

This article has focussed significantly on future legislative developments, all of which will be delivered with consultation, of varying measures.

If you would like to be involved in any of the subjects, through survey responses and Think Tank roundtable attendance, or indeed you have a subject that you think we should be discussing, please email us at **policy@cipp.org.uk**. We look forward to hearing from you. ■

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 or visit cipp.org.uk to live chat.

*please see summary at cippmembership.org.uk for details.

Q: We have a client who is starting a payroll part way through the tax year and the payroll has two directors both earning above the monthly NICs thresholds. They will not hit the annual thresholds, but they will exceed the pro-rata annual threshold, so will they qualify for employment allowance?

A: Firstly, the directors must be paid above the annual secondary threshold, £8,632 for tax year 2019/20, or pro rata if the directorship began after the start of the tax year. Guidance can be found here: http://bit.ly/2QzCs4Z.

If the directors' prorated earnings are over the prorated annual threshold, then yes, the company will be able to claim the employment allowance this tax year.

Q: The company is considering paying more than the advisory fuel rates for business mileage incurred by those with a car provided by reason of the employment ('company car'). Can you please advise if we can pay a higher rate and will there be any tax and National Insurance (NI) implications for paying more?

A: If you decide to pay in excess of these rates and you can prove that the fuel cost per mile is higher and the travel is solely for business, it is ok to pay more without tax or NI implications. If you are unable to demonstrate that the costs are higher, then the excess will be taxable and liable to NI contributions (NICs) on the payroll. The following advice can be found here: http://bit.ly/2M87Czk:

"Reimburse employees for business travel in their company cars – If you pay a rate per mile for business travel no higher than the Advisory Fuel Rates, for the particular engine size and fuel type, HMRC will accept there's no taxable profit and no Class 1A National Insurance to pay.

You can use your own rates which better reflect your circumstances if, for example, your cars are more fuel efficient, or if the cost of business travel is higher than the guideline rates.

If you pay rates that are higher than the advisory rates and cannot demonstrate the fuel cost per mile is higher, there's no fuel benefit charge if the mileage payments are solely for miles of business travel. Instead, you'll have to treat any excess as taxable profit and as earnings for Class 1 National Insurance purposes."

Q: Can you advise if the Alabaster ruling has been extended to the other types of statutory pay such as adoption pay?

A: The Alabaster ruling only applies to statutory maternity pay (SMP), but the rules on backdated pay rises apply for statutory adoption leave. Please follow this link to see gov.uk guidance: http://bit.ly/2EvNPFJ.

Q: Please can you advise which mileage rate we should be paying for electric cars?

A: If your employee drives a company car and it is 100% electric you can pay 4p a mile, but if it is hybrid then you treat it as either petrol or diesel. If the car is a private car then the mileage rate is either 45p or 25p.

Q: In the following situation would a cycle to work salary sacrifice scheme become taxable if it is not offered to everyone? For example, if we do not offer a bike to staff who are paid at national minimum wage.

A: The scheme must be open to all in order for it to meet the rules set out by HM Revenue & Cust oms (HMRC) and to be exempt from tax, but the employer can include these types of employees by having a pool of bikes for them to use. So, this means they can be included in the scheme and, therefore, your cycle to work scheme can still be exempt. The guidance on cycle to work does cover element of details of how to include employees being paid at the minimum wage; please see:

- http://bit.ly/2EuqLY2
- http://bit.ly/35B7X5f

Q: When does an employee's maternity leave commence when there is a pregnancy related illness directly prior to the employee taking maternity leave (ML)?

A: If the employee is absent from work because of a pregnancy related absence on or after the Sunday of the fourth week before the week the baby is due, her maternity pay period (MPP) will start on the day after the first complete day she is absent from work for that reason. Useful guidance can be found at the following links: http://bit.ly/2PCtDsg; http://bit.ly/38PV7SZ.

"Statutory Maternity Pay (SMP): general information - pregnancy related absence – If a woman is absent from work due to her pregnancy on or before the start of the fourth week before the week the baby is due the MPP starts on the day after the first complete day of absence after the start of the fourth week. She may receive SSP [statutory sick pay] if appropriate right up to and including the day before her MPP starts. If a woman becomes sick for a reason unconnected with her pregnancy, she can receive SSP right up to the date she wants her MPP to start or the baby is born, subject to the normal rules.

If an employer is not sure whether an employee's absence is pregnancy-related or the employee does not agree with their decision on when the MPP should start, HMRC can arrange for them to be given advice from Medical Services. There is a period, spanning the week in which the baby is born, for which SSP is not payable…known as the disqualifying period."

Q: We offer loans to employees that are within the £10,000 limit, which are for various things. If the loan is taken from their net pay will this affect the minimum wage?

A: No, these deductions will not affect the national minimum/living wage. Guidance about what deductions can be made from a worker that do not reduce minimum wage pay is given below and can be found here: http://bit.ly/34xzzqB.

"Deductions from pay and payments by workers that do not reduce minimum wage pay – The following deductions by you or payments by a worker will not reduce a worker's pay for minimum wage purposes:

- deductions for income tax and [NICs]
- deductions from pay allowed under the worker's contract which relate to specific misconduct or payment by the worker of a specific penalty
- deductions from pay or payment by the worker because of an advance of wages or on account of an advance under an agreement for a loan
- deductions from pay or payment by the worker for the purchase of shares, other securities or share option, or any share in a partnership
- deduction from pay or payment by the worker to recover an accidental overpay-ment of wages
- deductions from pay that are not for expenditure connected to the worker's em-ployment or for your own use or benefit
- voluntary payments by the worker for the purchase of goods and services from you – for example payments for meals the worker has freely chosen to buy in the staff canteen (however, if you deduct money from the worker's pay in these circumstances this will reduce minimum wage pay)
- certain deductions from pay and payments by the worker for accommodation if the charge for the accommodation is at or below a certain level."

Q: My previous employer paid my CIPP membership fee directly to the Institute which had no tax implications for me. If I were now to pay the fee myself and claim the amount back from my new employer, could the amount be reimbursed as a non-taxable and non-NICable expense?

A: You do not have to report anything to HMRC or pay tax and NICs where the member pays the CIPP directly and their employer either reimburses them or pays the CIPP directly. The criterion for the CIPP and other professional bodies is that the organisation has to be on HMRC's list of approved professional bodies ('List 3').

Q: When I am processing the deemed payment that falls under 'off payroll working' and collect and pay over the tax and NICs, should the deemed payment also be included for our apprenticeship levy?

A: Yes, these deemed payments will affect the apprenticeship levy payments as specified in guidance below which can be found here: http://bit.ly/2m90A3a.

"Your responsibilities as the fee-payer – When you receive the worker's employ-ment status determination and the off-payroll working rules apply, you must:

- calculate the deemed direct payment to account for employment taxes and [NICs] associated with the contract
- deduct those taxes and employee [NICs] from the payment to a worker's intermediary
- pay employer [NICs]
- report to HMRC through real time information the taxes and [NICs] deducted
- apply the apprenticeship levy and make any payments necessary.

Employment allowance cannot be used against payments to deemed employees."

Q: We are moving offices and I have been asked what happens if we offer car parking spaces off-site to those employees permanently moved. The suggestion has been made that we have a pool of parking lots which we would use when the on-site car parking is full. Is this a taxable benefit in kind? Also, what if we ask them to salary sacrifice for the cost of the parking?

A: An employer can provide a parking space near or close to the place of work to an employee or director, with no reporting requirement and is therefore not a benefit in kind. But if you decide to ask them to salary sacrifice for the cost of this car parking space this will fall under optional remuneration arrangements and will no longer fall under the exemption and will be a reportable benefit. See http://bit.ly/2PAA66U, and http://bit.ly/2Z46emu. ■

National forums dates change

DUE TO the budget being announced to take place on 11 March, we have made the decision to move all of the national forums dates. This is to ensure that we provide all attendees with the latest updates from the 2020 budget.

Please see Events Horizon for details (page 16).

Celebrating 40 years of supporting payroll professionals

THIS YEAR the CIPP shall be celebrating forty years of supporting payroll and pension professionals through membership and education services.

In 1980, the Association of Superannuation and Payroll Administrators (APSA) was formed as a professional body for payroll and pension professionals working within the public sector. Five years later, in 1985, the British Payroll Managers Association (BPMA) was formed to support those working within the private sector; and the merger of these two organisations led to the formation of the Chartered Institute of Payroll Professionals (CIPP) that you are a member of today.

We shall acknowledge this anniversary throughout the year, with various events and communications, including a piece within each issue of the magazine culminating in the December 2020/January 2021 issue.

Pictured is Vickie Graham, CIPP's business development director, sorting through some of the CIPP archives to document and timeline our important milestones.

If you were involved in the origins of the CIPP, or have important information about our heritage and history, please contact Vickie at **vickie.graham@cipp.org.uk**.

CIPP welcomes a new Chartered member

FOLLOWING A successful Chartered Member panel which took place on 16 December, we are delighted to announce that **Sarel Daysh** is the latest member to achieve Chartered member status.

As a Chartered Member, you are recognised within the industry as achieving the highest level of membership within our profession, committed to compliance and best practice in payroll and pensions administration and management.

Chartered membership is a unique level of membership within the industry and is available to individuals meeting the eligibility criteria. Chartered membership is by application only.

Email **membership@cipp.org.uk** should you wish to apply for Chartered membership. The next panel review will take place 4 February 2020.

Newly accredited PAS organisations

THE CIPP Payroll Assurance Scheme (PAS) is our flagship payroll audit solution, the gold standard for your processes and people and the prestigious award to covet in the payroll industry. It consists of two distinct elements: one will audit your payroll processes, and the other will audit the learning and development of the staff within the payroll function.

Congratulations to our most recently accredited organisations:

- Midland Heart
- Moorepay Limited
- North Kesteven District Council
- Cornwall Payroll Limited
- Hobson's C A Limited
- Equiniti
- BT Lancashire Services

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."

Email **compliance@cipp.org.uk** to find out how the PAS can benefit your organisation.

LEAP INTO THE FUTURE OF PAYROLL WITH US

#CIPPACE20

14-15 October 2020
Celtic Manor Resort, Wales

Join us at the **largest payroll conference and exhibition in the UK** for your opportunity to educate yourself, collaborate with peers and colleagues, and celebrate the best of the profession at our excellence awards.

ACE20

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Diary of a student...

Jean Rebello BHMS MCIPPdip
Payroll executive,
Spence Accounting Ltd

Why did you decide to study the CIPP's Foundation Degree in Payroll Management?

Payroll is a crucial part of any business. The deadlines, processes and procedures involved in payroll intrigued me, and I developed a passion for payroll, which is how I fell into it from my accounting background.

I decided to do the CIPP course so I could educate myself and gain the skills required for it, especially now with the new changes like General Data Protection Regulation (GDPR) and Brexit.

What have you gained from studying the qualification?

I have gained incredible knowledge and understanding of payroll and developed confidence in the job I do.

How has it helped you in your career and how you manage payroll?

My employer has recognised that I am dedicated and passionate about payroll. I manage the payroll in a meticulous and organised way, planning in a methodical way, always ensuring contingency plans are in place.

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

Studying CIPP is a big commitment and needs the support of your family and workplace. Keep your family informed of your exams and commitments, so you get the essential support.

Try and attend all the module review days and tutorial as they are invaluable.

Try to keep in touch with a few in your tutor group to encourage each other when you need a gentle push. The tutors are there to support you, so always approach them if worried about something.

The sense of achievement you feel when you walk across that stage in your cap and gown in front of family and friends is worth all that hard work – you will know it has paid off. For me, this was one of the proudest moments in my life.

Studying towards a qualification alongside a full-time job is no easy feat. How did you cope with the pressure as, like a qualification, payroll is very deadline driven?

Planning is key; when you receive your CIPP timetable with the dates for exams and assignments, speak with your employer to book leave during exams to ensure there is adequate cover in place. Remember to make time for yourself and take breaks in between.

If you do not look after your wellbeing, you will not be able to give your all to your studies or your job.

To be successful, try and learn methodically, take regular breaks, eat and sleep well.

How important would you rate qualifications to the payroll profession?

CIPP qualification shows an employer you are hardworking, driven, have a passion and are willing to dedicate your time to enhance your skills. It looks good on a curriculum vitae (CV) and gives you a sense of pride and confidence. ■

Julie Northover ChFCIPPdip,
PayPartner Payroll Services

I am a self-employed payroll professional who has worked in our industry almost all my (very) long working life. I am a payroll consultant, a payroll and human resources trainer, a diploma tutor, a payroll bureau service provider, a conference speaker and a Payroll Assurance Scheme (PAS) assessor.

No two weeks are the same as I currently work with seven clients on a regular basis and have several more ad hoc client relationships too. So, my first challenge was to decide which actual week to write about.

At the time of writing, my last full week consisted of no work, eating copious amounts of chocolate, parading around my apartment in newly purchased pyjamas, and watching too much TV. No, I wasn't unwell, it was just the Christmas festive period. So, I've chosen a different, and by contrast, much busier week a few weeks earlier.

Monday

Last night I travelled to London to deliver a very topical training course, IR35 – Intermediaries Legislation, which is my current favourite topic. There were fifteen very engaged delegates and a lot of tricky questions as the represented companies are clearly adversely affected by the changes in the private sector from April 2020. Thankfully, my commitment to preparing thoroughly enabled me to successfully answer everyone's questions.

The return train journey home was the opportunity to catch up on some emails.

Tuesday

An early start today as I head to Chester to carry out a PAS assessment on behalf of CIPP. This is another rewarding aspect of my work; getting to visit organisations and see how effectively their payrolls are produced, managed, audited and documented. Most payroll departments operate quite differently, giving me great insight into some unique and innovative approaches that have been adopted.

Today's organisation demonstrated that they had exceptional documented processes and I had no hesitation in recommending them for PAS accreditation.

Wednesday

I'd planned my week meticulously – not all weeks run this efficiently – and this morning I produced my report of yesterday's PAS findings whilst the day's events were still fresh in my mind.

After lunch I drove to London for my second Chartered Members Dinner since obtaining CIPP's Chartered membership status in August 2019. What a lovely way to end the day; eating fabulous food and spending quality time with fellow members, whom I have known for what seems like forever.

Thursday

Today my adrenalin was running in overdrive. I was attending, and speaking on IR35, at Reward Strategy's annual autumn conference.

Speaking at conferences such as this to my peers is probably the most stressful thing I do. Each year – this was my sixth – I ask myself why I risk the growth of more grey hairs from worrying about my sessions. But my feeling of euphoria (and relief) after each delivery reminds me exactly why I do it.

I love my profession and the people who are in it. There is an unspoken bond and mutual understanding between payroll professionals that simply rivals any other.

Those of you who know me, will agree that I am not exactly a party animal – having never drunk alcohol is probably my justification for this. Yet tonight was my second consecutive evening out.

It was the Reward Strategy's awards evening and I was a VIP guest on account of my services as an independent judge for their awards. A great night was had by all and as always there were many worthy winners celebrating their successes into the early hours of the morning. After an amazing meal, excellent company on my table and proudly presenting two of the awards, I sloped off to my fabulous Hilton hotel bedroom to enjoy a lovely cuppa and the view of the Tate Modern from the window.

Friday

I arrived home from London mid-morning which gave me the rest of the day to catch up on emails, webinars and other reading material. I discipline myself to ensure I keep up to date with all payroll-related news wherever possible. That's not as easy as it sounds, especially at this current time of so much uncertainty following endless contradictory government announcements following the election, our EU exit predicament, and prior to Budget 2020.

I spent the evening preparing for a tutorial in the morning. I have an exceptional group of thirteen students who thankfully are making my work with them very easy as they are all so eager to learn. Their first assignments were the most impressive I have marked in the four years I have been a tutor.

The weekend

All my students were in high spirits on Saturday. It must have been the hand-made personalised chocolate-filled Christmas crackers I lovingly stuffed for them at 2am that same day.

Nothing much to do on Sunday other than unwrapping those new 'jamas! ■

HR change agents

Paul Burrin, vice president, Sage People, discusses how HR can lead employee empowerment in the changing work sphere

It is recognised that the future workforce, across all regions and all industries, will look significantly different to the one of today.

New forms of automation driven by advances in artificial intelligence (AI) and machine learning, as well as a highly diverse workforce, are bringing new employee expectations as part of different ways of working.

Modern workstyles such as the growth of the contingent workforce and gig economy are also becoming increasingly popular. Yet, productivity and engagement remain stubbornly low.

As said by Charles Darwin, "It is not the strongest, nor the most intelligent of the species that survives. It is the one that is the most adaptable to change."

Putting this into context of people management, it will be the companies that not only embrace change but empower their people to thrive as part of it, that come out on top.

One change that cannot be ignored is the need for the adoption of digital skills in an increasingly digitalised world. A recent survey by Sage – *We Power the Nation* (http://bit.ly/34BOgJh) – identified that 75% of businesses around the world are planning to invest in digital skills, showcasing that digital resources and training are high on the agenda of senior stakeholders.

Additionally, a dedicated people study by Sage – *The changing face of HR* (http://bit.ly/2Me3a2e) – revealed that 82% of human resources (HR) leaders anticipate their role will be unrecognisable in ten years' time, attributing the main source of change to the transition from HR to 'People', where organisations are much more agile and employee focused. This is thanks, in large part, to the ever-changing world of work and the associated digital skills shortage, requiring businesses and HR teams to rethink how they attract, manage, engage and retain talent.

> ...digital skills shortage, requiring businesses and HR teams to rethink how they attract, manage, engage and retain talent

For companies that want to get ahead and win the war for top talent, there is a recognised need to place more emphasis on creating personalised candidate and employee experiences, and empowering employees through a more people-focused approach.

Riding the tech wave

The rise of new technologies and changing expectations of the workplace are core contributors to the required transformation. Increasing demands for flexible and remote work, advanced automation and people analytics have all become important topics of conversation, and action, amongst HR (People) professionals. As a result, these teams need the flexibility to support both traditional and new ways of working. Older, transactional HCM (human capital management) solutions may no longer be adequate, creating a need for new employee-centric applications.

These opportunities for HR (and People) teams to get ahead are significant. Companies should be prepared to seize the opportunity and adapt as the shift to employee-centric organisations continues.

Overall, HR (People) leaders have a responsiblility to become change agents in their organisations. Sage's research suggests that organisations require a clear purpose and vision, should understand and adopt technology to support new ways of working, and be forward looking in addressing future skills gaps.

What a great opportunity for HR (People) teams to lead from the front, be the face of change in their organisations and empower their people. ■

My first time

Denise Pudner ACIPP, payroll and finance office manager, Barron McCann Limited, joyfully recalls her first payroll software implementation and offers some advice

I'll start with a bit of history as that may make the whole read a little smoother. I used to be a payroll consultant for a software company and helped many companies implement a new system and enjoy the benefits of that. It was an enjoyable process, but I always felt a little bit cheated that I never got to enjoy the benefit of the new system long-term, so when I did my first implementation for myself, it was a joy.

This implementation involved bringing the payroll in-house from a bureau as well as setting up and using the new system. I can honestly say that whilst it was a bumpy road, it was one of the most enjoyable journeys of my career to date. All the hard work, effort and time put into this project was appreciated by my myself and my team. We worked our socks off so we could sit back after the event, look at what we had achieved and enjoy what we had done. And we did.

It would be a lie if I said we didn't make any mistakes along the way, but we learnt from those, put things right and continued down the path of what I saw as freedom: freedom from the restraints we had with our bureau and freedom to control our own work, timescales and output. Even working some weekends to stick to our project plan didn't bother me as I knew what the end result would be and what benefits we would gain from this. I was focused on getting the task done and put my heart and soul into it to achieve what I knew would be the best for all concerned.

The hardest decisions along the way were often the ones we got the most joy out of once completed. The company I worked for at the time had not been used to an in-house payroll solution so didn't realise what the options would be and what choices they had to make. I found this the most challenging as how do people know what they want, if they have never seen it before?

Even taking all this into consideration, I would do it all again in a heartbeat (which I have done, and second time round, enjoyed it even more). The main points I would like to ensure people concentrate on the next time round, as I am sure there will be a third time, are the following:

- focus on why you are doing it
- be sure of what you need the system to do for you
- be confident in all the decisions you make
- if unsure of anything, go for the better option as you will always find you can use more data, but will kick yourself if you don't decide on enough at the beginning
- plan, plan and plan again
- document the system build so you can refer back to it when trying to unpick any issues you may have
- breathe, embrace the experience and then sit back and enjoy once complete. ■

Events Horizon

Full details of events and training courses can be found at **cipp.org.uk** or you can email **enquiries@cipp.org.uk** for more information.

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London – 14 May | Leeds – 2 June

Join the CIPP and the Association of Accounting Technicians (AAT) at this half-day workshop and gain an update on the forthcoming changes in legislation affecting payroll, whether in practice or business.

The workshop also provides an excellent opportunity for members to achieve their Continuing Professional Development (CPD) and discuss their CPD objectives and requirements with a member of the CIPP team.

**applicable levels of membership only.*

National forums 2020

Date	Region
5 May	*Newcastle*
13 May	*London*
19 May	*Bristol*
20 May	*Cardiff*
9 June	*London*

Date	Region
11 June	*Manchester*
16 June	*Edinburgh*
18 June	*Belfast*
24 June	*Birmingham*

Due to the budget being announced to take place on 11 March, we have made the decision to move all of the national forum's dates. This is to ensure we provide all attendees with the latest updates from the 2020 budget.

Exclusive to CIPP members*, the national forums are an excellent opportunity to hear from the policy team, as well as other key speakers, on developments in payroll, pension and reward legislation. Attend this event and keep up to date on key changes to legislation and network with other CIPP members and speakers.

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

Thank you to our National forum sponsors:

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Training courses

Course	Date*	Location
Payroll and HR legislation update (50% off for members)	19 February	*Birmingham*
	21 February	*Manchester*
	6 March	*Dublin*
	9 March	*London*
Off-payroll working and other employment status considerations	11 March	*London*
	18 March	*Solihull*
	24 March	*Manchester*

Course	Date*	Location
Holiday pay and leave	19 February	*Bristol*
	18 March	*Edinburgh*
Salary sacrifice and other optional remuneration arrangements	19 February	*Bristol*
	18 March	*Edinburgh*

Dates are subject to change. More dates are available at 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**. New dates and locations may be added if there is enough interest.

Advisory fuel rates

THE ADVISORY fuel rates changed with effect 1 December 2019 and apply, until further notice, to all journeys made on or after this date.

For one month from the date of change, employers could choose to use either the previous or revised rates. Employers may therefore make or require supplementary payments if they so wish but are under no obligation to do either.

Engine size	Petrol	Diesel	LPG
Up to 1400cc	12p	9p	8p
1401cc to 1600cc	14p		9p
1601cc to 2000cc		11p	
Over 2000cc	21p	14p	14p

HM Revenue & Customs (HMRC) will accept that if the employer pays up to 4 pence per mile when reimbursing their employees for business travel in a fully electric company car there is no taxable profit and no class 1 National Insurance contributions (NICs) to pay. The advisory electricity rate will be published alongside advisory fuel rates and kept under review.

Class 1 NICs thresholds for 2020–21

AT THE time of writing, no government announcement had been made about the various earnings thresholds and bands for NICs for tax year 2020–21. However, the Queens Speech delivered in December 2019 states that the government "has committed to not raise VAT, income tax and National Insurance" and "is committed to…raising the National Insurance threshold to £9,500 next year". It is unclear whether the 'threshold' is the lower earnings limit (LEL) or the primary/secondary earnings threshold, and indeed from when the revised amount will operate.

Statutory payments 2020–21

AT THE time of writing, proposals to revise the levels of various statutory payments from April 2020 had been placed in the House of Commons Library by the Department for Work and Pensions. It is envisaged that the proposed weekly rates of various statutory payment and effective dates will be as follows.

The weekly rate of statutory maternity pay (SMP), statutory adoption pay (SAP), statutory paternity pay (SPP), statutory shared parental pay (SShPP) – and, probably, the new statutory parental bereavement pay (SPBP) – will be £151.20 from Sunday 5 April.

If the employee's maternity, adoption, shared parental or paternity pay period started on a day other than a Sunday, the new weekly rate of SMP, SAP, SPP or SShPP does not apply until the beginning of the first complete SMP-, SAP-, SPP- or SShPP-week following Sunday 5 April.

The weekly rate of statutory sick pay (SSP) will be £95.85 from 6 April 2020. To be entitled to SSP for any periods of incapacity for work (PIW) commencing on or after 6 April 2020 (and which do not link to an earlier PIW) employees must have average weekly earnings of at least the class 1 NICs LEL in force on that date. The table below shows rounded daily rates and amounts payable according to the number of qualifying days (QDs).

QDs days in week	Number of days/amounts (£) to pay						
	1	2	3	4	5	6	7
7	13.70	27.39	41.08	54.78	68.47	82.16	95.85
6	15.98	31.95	47.93	63.90	79.88	95.85	
5	19.17	38.34	57.51	76.68	95.85		
4	23.97	47.93	71.89	95.85			
3	31.95	63.90	95.85				
2	47.93	95.85					
1	95.85						

Diary dates

Last day for submitting a real time information employer payment summary to apply to tax month 10 Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by non-electronic method	19 February
Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by electronic method	22 February
Last day of tax month 11	5 March
First day of tax month 12	6 March

Bereavement leave and pay

Lora Murphy ACIPP, CIPP senior policy liaison officer, discusses the new employment right that will have effect in April

It is universally accepted that when a person is physically ill, they will probably be required to take a period of leave from their job in order to recuperate and to reach a state where they are deemed as being 'fit for work' and able to resume normal duties. There is also a growing understanding that mental anguish can be just as detrimental, if not worse, than ailments of a physical nature, and this is particularly prevalent when focussing on the issue of bereavement.

Scientific evidence proves that grief and distress are such powerful emotions that they end up affecting physical health and triggering undesirable symptoms in individuals. So physical and mental health are not entirely independent of one another and can often overlap.

Many businesses understand this and will be highly supportive to their staff if, unfortunately, somebody close to them dies. There is, however, currently no statutory requirement to pay a member of staff who needs time off to allow them to grieve for a loved one, but it is highly likely that organisations will have policies surrounding bereavement. Accordingly, staff members should familiarise themselves with the procedures to follow, and the entitlements that are available so that they are prepared if they ever need to know this information.

The guidance provided on statutory entitlement to unpaid leave is somewhat vague, to say the least. The Gov.UK page, titled 'Time off for family and dependants' (see http://bit.ly/2LXQf4o), advises: "As an employee you're allowed time off to deal with an emergency involving a dependant. A dependant could be a spouse, partner, child, grandchild, parent, or someone who depends on you for care. You're allowed a reasonable amount of time off to deal with the emergency, but there's no set amount of time as it depends on the situation. If you aren't given time off for dependants, your employer may allow you 'compassionate leave' – this can be paid or unpaid leave for emergency situations. Check your employment contract, company handbook or intranet for details about compassionate leave."

The advice given on Gov.UK echoes the sentiment that everybody deals with and reacts to things differently, which is true, so one person may need a longer period off than another as they aren't coping well with loss and are unable to continue with day-to-day activities, such as going to work. It is equally true that the length of absence could depend on the nearness of the individual's relationship with the deceased person. Although the effects of bereavement are very subjective, the absence of a fixed statutory entitlement to leave could prove frustrating for employers that are unsure of how to proceed, as some businesses would prefer concrete guidance on how to act, particularly on a subject of such a sensitive nature.

...legal requirement for an amount of leave and an amount of pay to be granted...

Leave and pay

Though the observations above relate to a broader outlook of bereavement and compassionate leave, the government has confirmed that from April 2020 statutory parental bereavement leave and pay become available under provisions of the Parental Bereavement (Leave and Pay) Act 2018. There will be a legal requirement for an amount of leave and an amount of pay to be granted, should the affected staff member meet certain qualifying criteria.

The new policies will be applied to staff who lose a child under the age of eighteen or suffer a stillbirth from 24 weeks onwards. In recognition of the fact that losing a child is potentially the worst thing that somebody could ever

experience, the new rules have been put into place to provide some sort of relief to employees going through a period of anguish and grief. These levels of upset could potentially be very difficult for affected individuals to manage within a work environment so the new rules seek to alleviate some of the pressure on people who go through this tremendous turmoil and to support them accordingly.

The entitlement to take two weeks' worth of unpaid leave will be a day-one right, with paid leave available to employees with 26 weeks' worth of continuous employment, should they meet the other qualifying criteria. The eligibility criteria mirror those relating to paternity pay, so earnings prior to the period of eight weeks ending with the relevant week need to be at least the lower earnings limit at the end of the relevant week. The payment figures will be in line with other statutory payments and the weekly amount will be the same as for statutory maternity pay, statutory paternity pay, statutory adoption pay, and statutory shared parental pay. If other statutory parental payments increase with the onset of a new tax year, then so will the statutory bereavement pay.

There is also guidance relating to the staff member's relationship with the deceased child. This doesn't explicitly mean that the affected party has to be the child's biological parent but that he or she would need to be classed as the 'primary caregiver' for that child in order to qualify for pay and leave.

The leave will need to be taken within 56 weeks of the date that the child died. Employees are entitled to take two weeks' worth of leave, which can be taken either in one full block or in two separate blocks, each consisting of a week. This is to ensure consistency with other statutory parental payments and is aligned with how statutory payments are made, as they can only be paid in full weeks. An employee may choose to only take a single week's worth of leave if that is appropriate to their needs. The idea behind allowing the leave to be taken in two blocks is to accommodate employees who may find it more beneficial to have the time off in separate chunks, i.e. they may wish to take a week's leave immediately after the child's death and reserve the additional week to take time off around the anniversary of the death.

In terms of evidence that an employee will need to provide to their employer, the requirements mirror that of other elements of parental pay.

Where the leave is unpaid, however, staff will not be expected to provide a written declaration prior to their period of leave.

Where an employee is paid, to protect the employer and the Exchequer, the employee will need to sign a declaration stating that they meet the criteria for parental bereavement pay. There will be a flexible approach to this, and no exact timeframe imposed on the deadline to provide this statement.

Due to the extreme sensitivity of the situation, employers will not be entitled to request a death certificate as evidence, as government wants to ensure that staff members grieving the loss of a child are not exposed to further potential upset.

...still much more room for improvement on the topic of bereavement pay and leave...

Other bereavement payments

There is in place a state statutory bereavement payment for those whose spouse or civil partner died before 6 April 2017. This payment consists of a one-off, tax-free lump-sum payment of £2,000, should certain conditions be met.

If a person's spouse or civil partner dies on or after 6 April 2017, he or she may be entitled to a different payment called bereavement support payment, which can consist of either a single payment or a series of payments, depending on individual circumstances.

Comment

Whilst the government has implemented some solid policies and procedures surrounding the treatment of individuals if they lose a spouse or civil partner, and for employees should they unfortunately have to deal with the death of a child, there is still much more room for improvement on the topic of bereavement pay and leave.

Although parental bereavement pay and leave deserve particular applause, it feels – albeit the intention here is not to detract from this – as if more structured advice could be provided surrounding the topic of bereavement as a whole.

The absence of any specific timeframe for statutory bereavement leave places employers in a bit of a limbo and forces them to make the commandeering decision on such a delicate topic. It also feels particularly harsh that there isn't a legal entitlement to paid compassionate/bereavement leave of any kind. Individuals may not need the added pressure of financial worry when they are already in a bad place. ■

Should you look a gift horse in the mouth?

Susan Ball, employer solutions partner, and **Lee Knight, employment solutions director, of RSM UK Tax and Accounting Limited,** outline the statutory taxation rules and the reporting requirements on employers and third parties of gifts made to or received by employees

As the end of the tax year approaches, and with Christmas having passed, it's a good time to reflect on whether you have processes in place to ensure that gifts your employees receive from third parties (such as customers or suppliers) are identified and correctly reported to HM Revenue & Customs (HMRC).

The rules are complex and can create tax and National Insurance contributions (NICs) implications for you (as their employer), the third party, and the employee.

To ensure compliance, communication between the employer, the third party, and the employee is key.

The tax and NICs treatment depends on the form of the gift and the employer's involvement. Where tickets to the theatre or similar are involved this will count as entertainment only if the third-party, or their representative, is present to 'entertain' your employees, otherwise it is a gift.

The Bribery Act 2010 must also be considered and therefore many employers will have a policy on giving and receiving corporate hospitality and gifts. Furthermore, there is potentially inheritance tax to consider if the value of the gift(s) exceeds £250 where it is made by one individual to another.

Cash awards

Where you give your employee a cash award or gift, or an item or voucher which can be surrendered for cash, then they are reportable at the correct time via payroll and should be subject to tax and NICs regardless of the value.

Where your employee is provided with such an award by a third party, the employer (not the third party) has a liability to account for the class 1 NICs and, where due, the apprenticeship levy on the award. This is why communication is key as the employer must subject the combined value of the award, and the tax paid by the third party under pay as you earn (PAYE), to NICs.

Small gifts

The position is simplified where small gifts are given by a third party to one of your employees (or members of their family or household). This may be exempt from tax and NICs if all the following conditions are met:

- the gift is not provided by the employer, or a person connected with the employer
- neither the employer, nor a person connected with the employer, directly or indirectly procured the gift
- the gift is not made in recognition or anticipation of particular services performed by the employee
- the gift is not in cash or in vouchers or securities that can be converted into cash
- the total cost to the donor of all eligible gifts to the employee in a tax year does not exceed £250 (including value added tax).

The exemption does not apply to non-cash vouchers, but the application of the exemption is extended to non-cash vouchers that are only capable of being used to obtain goods (and which are acquired by way of a gift) by the provisions of section 270 of the Income Tax (Earnings and Pensions) Act 2003.

If the gift does not meet the above conditions, unless it has been arranged by the employer, it is the responsibility of the provider to make an annual report to HMRC. The provider will be liable to pay class 1A NICs, but any tax due will be the liability of the recipient unless the provider settles the tax via a HMRC taxed award scheme. Often the giver doesn't enter into a taxed award scheme, so as the employer you need to consider if you should account for the tax due (particularly where you have knowledge of such gifts due to Bribery Act requirements) or advise employees of their tax obligations.

In any event if the gift does not qualify for the small gifts exemption and has been arranged by the employer, it can be treated for tax purposes as if it was provided directly by the employer. The employer will therefore have to consider its obligations to report to HMRC, via either the P11D return or via a

...depends on the form of the gift and the employer's involvement

PAYE settlement Agreement (PSA), unless the trivial benefit or long service exemptions apply.

Trivial benefits exemption

Gifts to employees (or the employee's family or household) from third parties are not reportable, taxable, or subject to NICs if the gift falls within the trivial benefits exemption which applies if all the following conditions are satisfied:

- the cost of providing the benefit does not exceed £50
- the benefit is not cash or a cash voucher
- the employee is not entitled to the benefit as part of any contractual obligation (including under salary sacrifice)
- the benefit is not provided in recognition of particular services performed by the employee as part of their employment duties.

The exemption has a further cap of a total cost of £300 in the tax year if the employer is a close company, and the benefit is provided to an individual who is a director or other office holder of the company, or a member of their family or household.

...a period of not less than twenty years' service...

Long service awards

Long service awards provided to employees remain exempt although increasingly the exemption does not apply. The conditions for exemption are:

- the award must be made to mark a period of not less than twenty years' service with the same employer
- it is a non-cash award
- the value of the award (before applying the exemption) must not be more than £50 for each year of service.

Should employees report gifts?

Finally, employees should also think about their reporting obligations. For those who already complete a tax return, if the gift is exempt it will not be necessary to report it. If it is cash earnings or a benefit in kind, it will need to be reported as employment income, unless the employer has already accounted for the tax and NICs due via payroll or a PSA. ■

The potential effects of a March 2020 Budget

The 'late' delivery of the 2020 Budget has implications for payroll professionals, employees, employers and software providers, writes **Mike Nicholas**

For many years it was customary for the chancellor to deliver the annual UK Budget in March. An implication was that some income tax changes (e.g. to rates, personal allowance, tax bands) were usually implemented several weeks after the start of the tax year, thereby affecting amongst other things pay as you earn (PAYE) procedures. (Generally, changes to class 1 National Insurance contributions (NICs) almost always had effect from 6 April.)

The relatively recent move to delivering the Budget earlier has meant changes affecting PAYE and class 1 NICs could be implemented together with other changes from the start of the tax year. The return this year to holding the Budget in March (on 11 March) has implications for taxation and payroll procedures.

The situation is complicated because although income tax can be retrospective under PAYE, this is not the case for class 1 NICs. Recovering underpayments of or making repayments of overpaid NICs requires specific action through the payroll.

Neil Tonks ChMCIPPdip, legislation manager at MHR, kindly provided the following comments to *Professional* magazine: "Back in the days when Budgets were always in March, the announced changes weren't implemented until week 7 of the tax year (week commencing 18th May). We don't currently know whether the announcements in this year's Budget will be delayed like this, but if so it would be a double-edged sword for payroll software providers.

"A May implementation date would of course give more time for the updates to be developed by ourselves and implemented by our clients, which is good.

"On the other hand, it's so long since we had a late implementation that systems would need extra testing to make sure everything worked correctly. Using a different date to normal should work, but for this kind of thing 'should' isn't good enough and we'd want to make certain there were no issues.

"A complication is that the student loan thresholds and minimum/living wage rates are already announced and will take effect on their normal dates. These are generally supplied to clients along with the parameters for tax, NICs etc but this year there will probably need to be two updates: one for April and another for May. That's an extra update for each client to remember to install.

"Also, what about the statutory payment rates? These are determined by the rate of inflation last September so it should be possible to announce them in time for April. The Department for Work and Pensions needs to get a move on with this so the rates can be included in the update with the student loan and minimum wage changes.

"Whatever happens, of course, everyone concerned will just get on with it and do the necessary work. Employees will get paid correctly and on time, never knowing the blood, sweat and tears this involved for payroll professionals and their software providers!"

Employers, payroll professionals and payroll software providers face a very challenging situation wherein they have insufficient time to implement and apply changes to class 1 NICs (and perhaps statutory payments) from the first pay day on or after 6 April. This would mean that recalculations might have to occur with refunds or recoveries subsequently actioned. ■

Incidental expenses

Helen Hargreaves MSc ChFCIPPdip, CIPP associate director of policy, outlines the scope of the tax relief and complexity of the rules

When employees travel on business it might reasonably be assumed that any expense they incur whilst travelling will be reimbursed in full by their employer; after all, they only incurred that expense because of their job. But it's not quite as straight forward as that, and some might say that's a good thing because if there was no restriction heaven knows what might be claimed!

In theory, the employer is just giving the employee their own money back. If the employee spent the money in the course of carrying out their job, then there will not usually be any tax or National Insurance contributions (NICs) liability. But as we all know, theory is all well and good but when you start getting into the detail that's when things get complicated.

The rules

Section 336 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) says that expenses are allowable so long as:

- the employee is obliged to incur and pay them as holder of the employment, and
- they are wholly, necessarily and exclusively incurred in the performance of the duties of the employment.

Under section 337 of ITEPA, expenses are allowable so long as:

- the employee is obliged to incur and pay them as holder of the employment, and
- they are necessarily incurred on travelling in the performance of the duties of the employment.

Essentially what this tells us is that there are several restrictions on the availability of tax relief on travel expenses.

> ***...all well and good but when you start getting into the detail that's when things get complicated***

Looking at NICs, the rules equivalent to those in ITEPA are contained in schedule 3 of the Social Security (Contributions) Regulations 2001. The schedule says that payments or contributions towards certain expenses, which the holder of the office or employment is obliged to incur and spend, are not included in the employee's earnings.

The practicalities

So, what does this mean in practice? Well it means that some expenses attract tax relief, and some don't.

Tax relief is given only for 'qualifying travel expenses'. A deduction is given for the full amount of qualifying travel expenses, which comprise:

- actual travel expenses
- subsistence expenses
- other associated costs, including toll fees and, where appropriate, parking fees.

This means an employee travelling for work may be able to claim tax relief on the cost or money they spent on food or overnight expenses. These include things like:

- public transport costs
- hotel accommodation
- food and drink
- congestion charges and tolls
- parking fees
- business phone calls and printing costs.

Employees may have other expenses too – 'incidental expenses' – which don't necessarily attract tax relief. Incidental overnight expenses are personal (non-business) expenses incurred by an employee whilst travelling overnight on business.

Examples of incidental expenses

include the following:

- buying newspapers
- paying for laundry
- phoning home.

But personal incidental expenses are not qualifying travel expenses. The employee does not have to incur these costs to be able to carry out their duties, and as a consequence they are not exempt from tax and NICs. If, however, the employer pays an allowance for such incidental overnight expenses, there is a specific statutory exemption which can apply meaning that tax is not payable if the allowance does not exceed the statutory limit. The maximum amounts of incidental overnight expenses that an employer may pay tax free are:

- £5 per night for overnight stays in the UK, and
- £10 per night for overnight stays outside the UK.

If a payment is made that exceeds these limits, the whole of the payment becomes taxable and not just the excess. But it is important to remember that the limit is applied to the whole of the period that the employee spends away from home and not to each night separately.

Where the employer has a policy that requires the employee to pay back any amount received that exceeds the limit, and repayment is made within a reasonable time, the payment to the employee should be treated as not exceeding the tax-free limit.

If any of the overnight expenses reimbursed by an employer aren't exempt and exceed the £5 or £10 threshold, they must be reported via the P11D return, as well as being liable to pay as you earn income tax and class 1 NICs through the payroll.

Other incidental expenses

Whilst strictly speaking the term 'incidental expenses' only refers to travel expenses, in reality employees do often incur other expenses which one could consider incidental, even if not in the strict definition of the term. Examples include the following.

- *Working at home* – The complete opposite of the true definition of incidental expenses, workers can also incur expense when working at home. Workers are able to claim tax relief for some of the extra expenditure incurred when working from home on a regular basis, but this is only when employees have to work at home – they cannot claim tax relief if they choose to work from home.

But it can be tricky to separate out what can be claimed for, as workers can only claim for expenses which are directly associated with work, such as business telephone calls or the extra cost of gas or electricity for that work area. Expenses for personal as well as business use, such as rent or broadband access, cannot be claimed.

> ***...either claim the actual amount spent – verified by the receipt – or an agreed fixed amount...***

But once again, there is a statutory allowance – £4 per week (or £18 per month) – which employers can pay to cover additional costs which is not taxable.

- *Professional fees and subscriptions* – An employee may claim tax relief for annual subscriptions paid to certain approved professional bodies or learned societies, where the body's activities are relevant to the duties of the employment.

A deduction may also be claimed for certain statutory fees paid to such bodies by an employee as a condition of carrying on the employment (for example, as a registered veterinary surgeon or practising solicitor). The list of approved bodies, 'List 3', is available at http://bit.ly/2Fcibxv.

Tax relief is also available where an employer pays or reimburses the fee for subscribing to the Disclosure Barring Service update service, or fees for criminal records certificates when the subscription to the update service is active. Relief is not available for fees for criminal records certificates paid or reimbursed by an employer where the individual does not subscribe to the update service, as these payments would not be treated as taxable benefits.

These subscriptions must still be declared in the P11D return unless they are covered by an exemption.

- *Uniforms, work clothing and tools* – Employers may also be able to reimburse, without deducting tax or NICs, expenses incurred by employees for:
  - repairing or replacing small tools they need to do their job (for example, scissors or an electric drill)
  - cleaning, repairing or replacing specialist clothing (for example, a uniform or safety boots).

But note the important distinction: this is only for the repair and maintenance of existing equipment. Tax relief is not available on the initial cost of buying small tools or clothing for work.

Employees can either claim the actual amount spent – verified by the receipt – or an agreed fixed amount (a 'flat rate expense' or 'flat rate deduction').

There is a list of industries and the appropriate 'flat rate expense' on GOV.UK. ■

In summary

Whenever employees are claiming reimbursement for costs incurred, especially incidental expenditure, it is important to check whether or not they attract tax relief; and the rules are not quite so straight forward as you would think.

The CIPP has a one-day training course, 'P11D, expenses and benefits', which will give you all the information you need.

DON'T RESIST CHANGE, EMBRACE IT

CEST – new improved

John Harling, principal employment taxes consultant at PSTAX, reviews

On 25 November 2019, HM Revenue & Customs (HMRC) finally issued an updated version of its online tool Check Employment Status for Tax (or CEST) to help engagers establish if individual workers and personal service companies could be paid off-payroll or under deduction of pay as you earn and National Insurance contributions (NICs).

Despite much evidence to the contrary, HMRC had until that date claimed that there had been no previous updates since March 2017. However, the tool has now been subject to a significant update that is more far-reaching than perhaps many were expecting.

Users of the CEST will note that parts of the tool will still have a familiar feel in terms of the questions asked. However, there have been changes to the layout – and, to some extent, the ordering – and also some quite fundamental new questions that had previously been left out.

As many will know, there are various permutations that can arise depending on how certain questions are answered. They certainly cannot all be considered in one relatively short article, but we have considered the main 'headlines' below taking into account the main headings used in the tool.

HMRC disclaimer

A whole page is dedicated to warning users that whilst HMRC will stand by the result of the CEST where questions are answered accurately it will not do so where contrived arrangements are in place to achieve a particular outcome.

Does IR35 apply?

The tool asks at a very early stage if the user is considering whether the IR35 off-payroll rules relating to intermediaries apply. Even if this is inadvertently answered to say that they do not apply, there is a further question to clarify whether a limited company or partnership is engaged. If it is, the user is then directed to read further guidance on the IR35 rules before proceeding.

('IR35' was the number of the HMRC press release that introduced new tax rules for intermediaries.)

> ***...various permutations that can arise depending on how certain questions are answered***

Office holders

As before, HMRC asks if the worker is an office holder – usually a permanent statutory appointment – and, if so, this will lead to a result of employed for tax/NICs purposes or inside IR35.

Personal service/substitution

This section of the CEST had already been updated in the past few months, so there are no major surprises here regarding the wording of the questions. However, in considering whether the end-user has the right to reject a substitute, it does ask whether this applies even if the person meets the end-user's "interviewing, vetting and security clearance procedures", which is a change of emphasis from the way the wording was set out previously. However, the key point to stress is that there remains a 'high bar' threshold to reach in being able to demonstrate a genuine right of substitution.

Control

The questions relating to what, how, when and where the work is undertaken are not materially different. As before, they remain a crucial consideration, particularly in cases where personal service is clearly required and there is an obvious lack of financial risk.

Financial risk

There are some changes to the layout here with separate questions relating to materials, equipment, vehicle provision and other significant expenses, as opposed to the previous version which included them all on a single page. The wording of the question in each case has been updated to ask if the worker will have to incur the cost of any of these before the end-user pays them.

Additionally, in respect of the questions about the requirement for the worker to put right unsatisfactory work, this includes the option "Yes, unpaid but their only cost would be losing the opportunity to do other work", which is a change from the previous wording. This emphasises the point that HMRC will only really accept that there is a requirement to put right unsatisfactory work where the workers has to physically incur a cost, e.g. a builder having to pay for new materials where the original work has not been undertaken satisfactorily.

Integration

Most of this section has a familiar feel to it regarding whether the worker has line management responsibilities for the end-user and how they might introduce themselves to those who are the users

of the services of the end-user. However, the question of whether the worker enjoys employment rights is now focused on corporate benefits such as gym membership and employee discounts.

Worker contracts

The most significant change to the tool is a whole new section on worker contracts. This appears to be a shift in emphasis and considers the position of the worker in terms of the flexibility they have within the contract and what work they do elsewhere. Effectively, this alludes to the principle of mutuality of obligation (MOO), which was not considered at all in the previous version. MOO is the concept of the obligation on the part of the engager to offer work to the individual and the individual's obligation to accept it.

Recently, we have seen HMRC effectively dismiss the significance of MOO by arguing that it is present in any contract – whether one of employment or self-employment – and is not in itself a key determinant of employment status. However, recent tax case law has reinforced the notion that MOO is a significant factor regarding employment status, so perhaps the revised CEST is an acknowledgment by HMRC – albeit reluctantly – that this is the case.

...reinforced the notion that MOO is a significant factor regarding employment status...

In considering these issues the CEST now asks the following:

- Does this contract stop the worker from doing similar work for other organisations?
- Is the worker required to ask permission to work for other organisations?
- Has the worker had a previous contract with your organisation?
- Will this contract start immediately after the previous one ended?
- Is the current contract the first in a series of contracts agreed with your organisation?
- Will this work take up the majority of the worker's available working time?
- Has the worker done any self-employed work of a similar nature for other clients in the last twelve months?

Therefore, unlike the previous version, this includes questions on what the worker does outside the contract under consideration rather than just within the contract itself.

Conclusion

The new version has a more comprehensive feel to it with what would seem to be an attempt to get a more accurate answer. The addition of the questions regarding the worker's contract will be broadly welcomed as it has long been argued by many that these all form part of the way the worker provides their services to the end-user and others. However, there is a danger that a significant number of new questions in this area could in fact result in more 'unable to determine' outcomes thus creating more uncertainty.

It is still early days of course and only time will tell. Ultimately, CEST is a tool to assist in making a decision on status and it is only fair that it takes into account all the relevant factors. ■

CEST review

Following the chancellor's announcement made on 30 November 2019, a review into implementation of changes to the off-payroll working rules was launched by the government in early January. This review will determine if any further steps can be taken to ensure the smooth and successful implementation of the reforms, which are due to come into force in April 2020. As part of this, the review will also assess whether any additional support is needed to ensure that the self-employed, who are not in scope of the rules, are not impacted.

The government will launch a separate review to explore how it can better support the self-employed. That includes improving access to finance and credit, making the tax system easier to navigate, and examining how better broadband can boost homeworking.

Financial secretary to the Treasury, Jesse Norman, commented that: "We recognise that concerns have been raised about the forthcoming reforms to the off-payroll working rules. The purpose of this consultation is to make sure that the implementation of these changes in April is as smooth as possible."

The review, which will conclude by mid-February, will engage with affected individuals and businesses on their experiences of the implementation of these reforms. The government will:

- hold a series of roundtables with stakeholders' representative of those affected by the reform, including contractor groups and medium and large-sized businesses, to understand how the government can ensure smooth implementation of the reforms, and
- carry out further internal analysis, including evaluation of the enhanced CEST tool and public sector bodies' experience of implementing the reform to the off-payroll working rules in 2017.

The off-payroll working rules do not affect the self-employed, as only those working like employees are in scope. As part of the review, the government will explore whether there are any further steps it could take to support businesses in correctly determining employment status.

In parallel to the review, HM Revenue & Customs will continue its comprehensive programme of education and support activities, proactively helping customers to prepare for the reform to off-payroll working rules in April 2020. This will include one-to-one engagement, webinars and workshops alongside targeted communications and support for customers, and their representatives to help them prepare for implementation on 6 April 2020. ■

CEST – c'est la vie?!

Samantha Mann MAAT MCIPPDip, CIPP senior policy and research officer, reviews recent developments

First launched in 2017 to support the delivery of off-payroll working reforms to public sector engagements, the check employment status for tax tool – CEST – has not been without its critics. When further reform was announced, this time to medium and large entities within the private and third sectors, it came with the assurance that CEST would be reviewed with the intention to make improvements where needed.

Since the announcement was made, HM Revenue & Customs (HMRC) has worked with stakeholders to gather views and experiences, initially to establish problem areas and then develop improvements to CEST. Using agile methodology, HMRC's digital teams have met with users and stakeholders to firstly establish what the problems are, to look at how improvements can be made and by using iterative steps build, test and review solutions. The beta product was launched, much to everyone's surprise, in late November (during general election purdah) and alongside it, updated guidance.

During this time, the original CEST tool remained available for use.

Audience

The CEST tool will support a range of users in decision-making when considering:

- whether off-payroll working rules will apply to a contract – aimed at hirer, the worker, the agency, or
- whether work is considered to be that of employment or self-employment – aimed at the hirer or the worker.

CEST is a tool that considers the outcome for tax purposes only and not a tool to establish whether a worker is entitled to employment rights.

As reforms continue in this space so too does the call for government to publish their response to the Employment status consultation (http://bit.ly/2TKiXdK) held in 2018 which, it is hoped, will provide much greater clarity regarding worker rights.

The CEST tool is not compulsory to use; engagers or employers can use a variety of methods to consider the status of a contract for tax purposes, and this will depend upon their available resources and knowledge. Other options include:

- in-house specialist
- external professional guidance such as employment lawyer, employment tax professional
- software/tools that provide a similar process to CEST.

The critical factor is that due process is followed that will enable the engager, if challenged, to be able to demonstrate that they took reasonable care in reaching their decision. Once made, the decision, together with the reasons for that decision, need to be provided to the worker and to the feepayer, even where the contract is outside of 'IR35' (off-payroll).

From April 2020, there will be an obligation on the client engager to provide a client-led dispute process in the event that the worker or feepayer disagrees with the status determination made. The engager will have 45 days in which to respond to any appeal.

In the event that the engager fails to make a determination or to respond within 45 days of any appeal, they will become responsible for pay as you earn (PAYE) income tax and National Insurance contributions (NICs) arising from the contract.

> ***...engagers or employers can use a variety of methods to consider the status of a contract...***

CEST usability

During the review of CEST, CIPP members attended interviews and group review meetings to comment on and feed in suggestions for improvements. In a test environment, they agreed that the tool was easier to use.

Members who predicted they would have to use CEST, because the new reforms would impact their organisation, but hadn't yet had any experience of it, felt confident at the test stage at least that it would be easy to use.

One comment made by all, however, was the recognition that processes would need to be in place to ensure that they

had all the information necessary to be able to answer the questions posed by CEST.

CEST asks whether the engaging client knows the worker. If the answer is no, the range of questions will differ in recognition that not all information will be known.

Information needed to complete CEST

A certain amount of information will be needed before the questions within CEST can be answered, including:

- the contract details
- the responsibilities of the worker
- who will decide what work needs doing?
- who will decide when, where and how the work is done?
- on what basis will the worker be paid (e.g. hourly, weekly, by task, a fixed rate for the job)?
- whether there are any corporate benefits that come with the task
- are expenses be reimbursed?

CEST may still be able to form a determination even where the worker is not known, but fewer questions will be asked in this instance and it may require a revisit once the worker is known.

If a worker is completing CEST they will be asked whether they are making a new determination or checking a determination.

CEST assurances

HMRC continues to provide assurances where the information input accurately reflects the working relationship i.e. the contractual terms reflect the actuality. Where the contract working practice changes, it is recommended that CEST be revisited to see whether the original decision is still valid.

GOV.UK makes clear, however, that "HMRC will not stand by results achieved through contrived arrangements that have been deliberately created or designed to get a particular outcome. We would see this as deliberate non-compliance, and you risk financial penalties."

At the conclusion of the questions within CEST, which will vary according to the answers given in the preceding questions, a list will be provided that details the answers given and provides the user with the opportunity to change the answers, if change is needed. This information is not stored by HMRC and at this point is entirely anonymous; however, a print- out is available and additional information can be added at this stage, such as: file name, contract or role title, your name, client's name, and other information.

Completion of this is entirely optional, and at this point the user can print out the results and/or save as a PDF in line with the engager's usual processes.

If CEST is not used, the document provided should show sufficient information to help the worker and feepayer understand how the engager arrived at their decision, and where any of the answers are questioned, provide evidence of reasoning.

...terms are important, but so is the day-to-day reality ...

Factors to consider

The question under consideration when making a status determination is whether the worker is delivering their work through a contract of service – which would indicate employment – or under a contract for services – which would indicate self-employment. The factors that are considered were cemented in 1968 in the case of Ready Mixed Concrete (South East) Ltd v Minister of Pensions and National Insurance (http://bit.ly/37iMDlS).

CEST considers all of the main factors that we would expect which include:

- can the worker send a substitute to deliver the work who they will pay or employ
- how will the worker be paid (i.e. by the hour or by the task)?
- control over how and where the work is done
- financial risk to the worker (e.g. putting right mistakes at own expense, delivering the task no matter how long it takes)
- the payment of overtime and bonus
- how integral is the worker to the organisation (e.g. do they appear to be an employee with a company email address, attendance at staff events, management of staff)?
- who provides the materials to do the job (which would no longer include items such as a phone or computer)?
- continuation of work (i.e. is this contract one of many with this worker)
- is the worker free to choose to work for other clients and, if so, do they need permission from the client?

Contractual terms are important, but so is the day-to-day reality and the two need to agree.

A particular issue in determining worker status is 'mutuality of obligation' (MOO). HMRC believes that MOO must exist for a contract to be in place and so does not consider it as a separate question within CEST. In its Employment status manual (http://bit.ly/2TM1hhx) HMRC explains that: "Only when the basic requirements for mutuality of obligation have been identified is it possible to then consider whether the contract is a contract of employment or a contract for Services (self-employment).

"The basic requirements as to the mutual obligations necessary to determine whether there is a contract in existence at all are: that the engager must be obliged to pay a wage or other remuneration, and that the worker must be obliged to provide his or her own work or skill.

"These basic requirements could be present in either a contract of service or a contract for services and, on their own, will not determine the nature of a contract."

Professional observers continue to challenge the approach that HMRC has taken within CEST on the issue of MOO, citing various legal rulings to evidence their arguments. In turn, HMRC cites further rulings – and so the arguments continue.

However, HMRC states that where CEST is completed fully and accurately, and the answers given "reflects the actual, or expected working practices" it will stand by the result.

What next?

It is not expected that CEST will be able to make a determination in all cases, as this is a complex subject. Time and use will determine how many times this particular outcome will occur.

In addition to guidance that can be found in the new section within HMRC's Employment status manual, HMRC provides a specialist helpline service which can be accessed Monday to Friday 8.30 until 4.30 on 0300 123 2326.

The message to everyone who thinks they may be impacted by off-payroll reforms is 'be prepared'.

C'est la vie – that's life. ■

Extension of class 1A NICs

Lora Murphy ACIPP, CIPP senior policy liaison officer, outlines imminent and significant changes affecting termination awards and sporting testimonials

Draft regulations relating to class 1A National Insurance contributions (NICs) liability of relevant termination awards and sporting testimonials were published for technical consultation in October. The consultation (http://bit.ly/2WThO2X) aimed to collect feedback on the proposed legislation in order to shape the process behind how class 1A NICs are to be reported and paid across to HM Revenue & Customs (HMRC).

Prior to the consultation, and in a move long anticipated by payroll professionals, guidance on the reforms had been issued to software developers. The new measures, which have been the subject of discussion and debate since the announcement at the summer Budget of 2015, have been deliberated and delayed. At Budget 2018, however, it was confirmed that the reforms will be implemented from 6 April 2020.

The National Insurance Contributions (Termination Awards and Sporting Testimonials) Bill, which was introduced into Parliament on 25 April 2019, received Royal Assent on 24 July 2019, becoming the National Insurance Contributions (Termination Awards and Sporting Testimonials) Act 2019.

The new legislation has been formed, at least in part, as a result of recommendations from the Office of Tax Simplification, which place emphasis on the alignment of income tax and NICs. Though the aspiration is to simplify tax and NICs treatment on these forms of pay, many would argue that the government has failed on this occasion.

Termination awards

The confirmation that class 1A NICs are to be reported and paid in line with pay as you earn (PAYE) real time information (RTI) will interest all affected parties. The introduction of liability to class 1A NICs raises significant questions about the future of payrolling benefits and also the implications the new rules will have for payroll departments. The issue is particularly prominent as, historically, class 1A NICs have never been attached to physical payments to employees but solely to the benefits they receive. Thus, the new liability is significant to the ever-changing face of payroll.

> ***...a result of recommendations from the Office of Tax Simplification, which place emphasis on the alignment of income tax and NICs...***

The 13.8% class 1A NICs (employer-only) charge is being attached to relevant termination payments made to a staff member where the current £30,000 tax exemption threshold is exceeded.

Statutory redundancy pay will automatically qualify for this tax exemption but any contractual element in addition will not. From 6 April 2020, any relevant termination payments exceeding the exemption threshold will be liable to PAYE income tax, and where the termination payment is equal to or more than the post-employment notice pay (PENP) also to class 1 NICs – a charge to the employee.

The class 1A NICs will also have to be reported through RTI and paid together with normal remittances.

Class 1A NICs in this situation will become a real time payment – not an annual payment that falls due as a result of the employer providing benefits in kind (BIKs) – either by reporting via a P11D return or through payrolling.

To establish the amount of termination payment that will be subject to income tax and class 1A NICs, a calculation is necessary, using the following statutory formula:

$$((BP \times D) \div P) - T$$

where:

BP is the employee's basic pay for the last full pay period

D relates to the number of calendar days in the post-employment notice period

P signifies the number of calendar days in the employee's last pay period (usually weekly or monthly), and

T is the total amount of payments or benefits received in connection with the termination.

It is essential to remember that this calculation was devised to simplify a complicated situation, but it is not difficult to see that it is somewhat complex, and that it doesn't always provide consistent figures.

In the October edition of its *Employer*

Bulletin (http://bit.ly/2VTxNNP), HMRC recognised that this calculation does not fit all scenarios and announced that a new calculation could be utilised in the event that the employee is paid by twelve equal monthly instalments but has a notice period based on weeks or days. This is because the calculation was providing different figures based on when in the year the notice was given, which could be deemed as unfair.

Now, in scenarios where the last pay period in relation to the PENP is a full month, the employee's salary is paid in twelve equal monthly instalments and the notice is based on weeks days, the figure that would ordinarily be ascribed to 'P' can be replaced with 30.42 (365÷12).

Sporting testimonials

Sporting testimonials are arranged when an esteemed sportsman is recognised for his or her contribution to their club upon retirement. A sporting event will be organised by a testimonial committee with the intention of the proceeds providing financial assistance to the retiree, who may not have reserved or accumulated enough funds to settle comfortably into retirement.

The reforms to the treatment of sporting testimonials for NICs mean that any non-contractual or non-customary payments that exceed £100,000 will attract class 1A NICs. The impact of this is predicted to be low-level as HMRC estimates that approximately 220 sporting testimonials are held each year and only the portion of proceeds exceeding £100,000 will be subject to class 1A NICs.

...liabilities can only be calculated once the income tax liability has been determined which can only be done once the tax year has ended...

HMRC guidance makes clear that the £100,000 will only be applicable to one testimonial in a lifetime, which could come from one event or from a series of events held over a twelve-month period referred to as a 'testimonial year'.

Conclusion

The introduction of class 1A NICs on termination awards and sporting testimonials raises significant questions for the future of the class 1A NICs charge. The technical overview (http://bit.ly/37dHZpf) provided by HMRC states that there will be certain BiKs that will remain subject to the annual payment and reporting provisions, as the liabilities can only be calculated once the income tax liability has been determined which can only be done once the tax year has ended (via the P11D).

This poses a further, different question for payroll departments. It raises the concern of keeping various class 1A NICs separate for different purposes, so processing and reporting via RTI for some pay/benefit elements but processing and reporting annually on others. This could potentially be time-consuming and confusing for payroll professionals – and the wider effect of this needs to be considered.

As the take up of payrolling of BiKs increases, could we expect to see real time class 1A NICs being applied? Perhaps many would argue that it should. ■

Financial worries report

ACCORDING TO the third annual *DNA of Financial Wellbeing* report (http://bit.ly/35O9Ivr), published in 2019 by Neyber, a financial wellbeing provider, three in five individuals are feeling financial strain and they're also worrying about their later life and retirement. It's not just the lower-paid, as those with the highest salaries are worrying too (see chart).

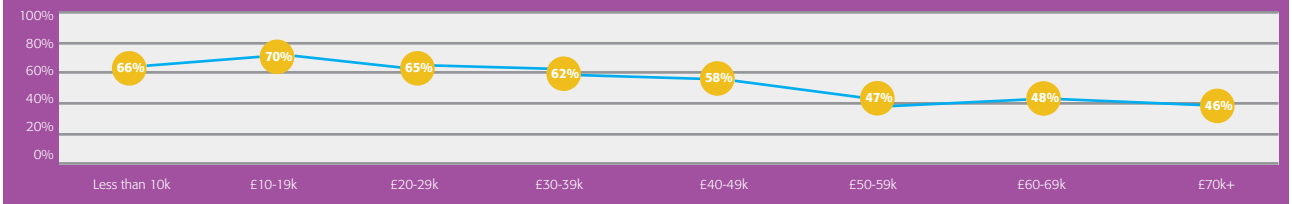
The research, which looked into money behaviours and attitudes of over 11,000 employees and 720 employers, shows many employees are struggling just to get by from payday to payday. To make ends meet:

- 27% use credit cards to get by, building on the issue regularly, and
- just 2% borrow from their employer, perhaps through a loan or payroll lending.

Monica Kalia, chief strategy officer and co-founder of Neyber, said: "Across the UK, an estimated 20.3 million workers are affected by money worries.

"Providing support that is relevant to the differing needs of employees is an important part of an employer's support. Financial wellbeing is not just about paying off debt, but about ensuring employees feel in control and confident about their future as well."

% of people in each income group who say they are affected by money worries



Workplace saving trials

NEW RESEARCH being funded by the Money and Pensions Service will test how saving through a workplace payroll scheme can help people improve their financial wellbeing, and ultimately encourage more employers across the UK to offer similar initiatives. The trials will examine for the first time how workers could benefit from being able to save or repay affordable loans through automated deductions from their salary with a credit union.

The two studies are being run by the Financial Inclusion Centre and tested amongst the workforces of Leeds City Council ('the Council') and York Teaching Hospital NHS Foundation Trust ('the Trust'). Both offer payroll savings schemes through Leeds Credit Union.

The first study will be carried out at the Trust and will involve an internal campaign promoting payroll saving to colleagues, establishing payroll saving as a 'social norm' using staff case studies to influence others. The second study, across the Council workforce, will test the incentives of one-off cash prize draws to encourage staff to join the credit union and set up monthly payroll saving. Another prize draw will be run for those who maintain the saving habit over six months.

The results of the trials will be used to provide employers across the UK with practical tools and promotional materials to encourage staff to save via automated payroll deduction.

Initial report findings (http://bit.ly/3a9psfJ) suggest that those who save with a credit union through payroll are directly benefiting from such schemes:

- three quarters (78%) of those who save with a credit union through payroll deductions are far more likely to save regularly compared to just over half (55%) of non-payroll savers who are with a credit union, and just under half of staff (47%) who are not members of a credit union at all
- almost all payroll savers (96%) would recommend this type of scheme to their co-workers, and said ease and simplicity of this type of saving (79%) is the biggest draw
- almost two thirds (62%) of those not already saving via payroll deductions were unaware that they could save in this way.

Michael Royce, senior policy and propositions manager at the Money and Pensions Service, commented: "An increasing number of employers are recognising the need to address money worries amongst their workforces, with research showing 22% noted productivity was reduced due to money-related stress. We hope these trials bring to light the important role employers have to play in improving the financial wellbeing of their staff, and will move them to offer similar payroll saving schemes."

Chris Smyth, chief executive of Leeds Credit Union, said: "At Leeds Credit Union we work with a range of employers to provide them with an effective free payroll scheme they can offer to their employees. We have found it produces benefits to both the employer through reduced stress and anxiety in the workplace and of course to their employees who benefit from easy access to saving accounts and affordable credit, allowing them to plan for any unexpected outgoings."

For information on how employers can get involved in payroll saving schemes with a credit union visit **http://worknotworry.org/**.

The early-May bank holiday

Note that the first of the two bank holidays in May 2019 has been moved from Monday 4 May to Friday 8 May to commemorate VE (victory in Europe) day 1945 (http://bit.ly/2tVULtS).

What lies ahead

Ian Neale, director at **Aries Insight,** discusses two of the Conservative party's general election manifesto commitments on pensions

The Conservative party's manifesto indicates that developments in the pensions arena are quite likely to receive attention.

One of these is the 'net pay scandal', where much more than a million low-paid workers have been automatically enrolled without benefiting from tax relief on their pension contributions. This happens because employers choose the pension provider, most of which – especially the master trusts – operate net pay arrangements (NPA), rather than the alternative relief at source (RAS) route that personal pension providers are obliged to use. Via RAS the provider automatically claims 20% tax relief from HM Revenue & Customs (HMRC) on pension contributions up to £2,880 per annum for every member, regardless of their earnings. Under NPA, tax is applied to net income after deduction of pension contributions from gross pay; so, if a person's net income is below the income tax personal allowance (currently £12,500) they won't pay tax but nor will they get any tax relief on their pension contributions.

Many of those caught by this NPA scandal earn above the earnings trigger (£10,000 per annum; £192 per week) but below the personal allowance. Others earn more than £12,500 in total, but still miss out because their total earnings arise from more than one employment, with at least one paying more than the lower qualifying earnings threshold (currently £6,136 per annum) for deduction of pension contributions. Some Scottish taxpayers miss out too, in a more modest way: 19% of taxpayers in RAS arrangements get 20% tax relief, whereas under NPA 19% taxpayers only get 19% tax relief.

This is widely recognised as unfair, and also discriminatory as about 75% of those affected are women; and the net is set to widen when the age threshold is lowered from 22 to 18 and the lower earnings threshold is scrapped, as planned for the mid-2020s.

The Low Incomes Tax Reform Group has been campaigning for years to get this fixed, and last year put forward a concrete solution which it seems finally caught the ear of the outgoing Conservative government, whose election manifesto promised to "conduct a comprehensive review".

> ***...using pay as you earn real time information data to identify low-income workers...***

The favoured solution involves using pay as you earn real time information data to identify low-income workers making pension contributions under NPA schemes. Via an annual end-of-year reconciliation using the P800 process, HMRC could then provide tax relief equivalent to that which would have been received via RAS.

The other problem most likely to receive attention is the deterrent effect of the annual allowance (in particular, the tapered annual allowance) upon senior national health service clinicians. In the run-up to the election, the outgoing government launched and hurriedly re-launched complicated proposals whereby eligible members of the NHS Pension Scheme would not only be able to elect for 'scheme pays' to cover any annual allowance charge, but also to receive a cast-iron guarantee of an extra salary payment upon retirement, to cover the amount deducted from their pension to repay the Scheme for the earlier tax charge.

Nobody thinks this is anything but a temporary fix. Many people advocate scrapping the taper on the grounds it is simply unworkable. Again, the Conservative party manifesto promised an "urgent review". No doubt this will encounter a brick wall at the Treasury; after all, their tapered annual allowance is no more than a slight reformulation of the pre-2010 Labour government's plans for a special annual allowance.

Government announcements about this 'solution' focused exclusively on the NHS, because that was the locus of the most obvious political pressure point. However, it will be very difficult for any government to resist demands for equal treatment from other public sector workers potentially subject to annual allowance charges, including members of the armed forces, the police, firefighters and teachers. The government will then have some further difficulty in defending unequal treatment of members of private sector schemes, for whom no such special treatment is proposed.

In turn, that will throw light upon existing public-v-private sector discrimination, notably the lifetime allowance (LTA) charge threshold. Defined benefit pensions these days are enjoyed largely only by public sector employees, who can accrue a pension of over £50,000 without attracting a LTA charge. A money purchase pension pot sufficient to purchase a similar pension would cost over £2,000,000, double the current LTA; with at least another £300,000 required to pay the LTA charge.

Will the Treasury succeed in putting up the shutters? Let us hope not; but the Pensions Bill previewed in the recent Queen's Speech might occupy enough political time and space to create a distraction for these tax legislation 'anomalies', keeping them parked in the long grass where they have languished for too long already. ■

Impairment, covenant, behaviour

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

Parnaby v Leicester City Council

In this case, the employment appeal tribunal (EAT) had to decide if an employer should have factored-in the likelihood of an impairment reoccurring again, when assessing whether it was sufficiently 'long-term' to qualify as a disability.

Mr Parnaby had been off work on long-term sickness absence on two separate occasions, claiming he was suffering from depression brought on from work-related stress. At the end of his second period of absence, which lasted for seven months, the employee was dismissed for capability reasons. By the time of his dismissal, GP (general practitioner) records outlined that the employee suffered from a "depressive disorder" and that he had been taking prescribed antidepressant medication on an intermittent basis for over a year.

The employee raised claims with an employment tribunal (ET) for unfair dismissal and disability discrimination, outlining that his dismissal was the final act in a series of incidents. Although it was accepted that the employee's depressive disorder could be considered a disability under the Equality Act 2010, a question was raised as to whether it met the criterion of 'long-term'. After all, for a condition to fully qualify as a disability it must last, or must be likely to last, for at least twelve months.

At a preliminary hearing, the ET accepted that the employee did have an impairment that was the result of work-related stress, and that this met the criteria under the Equality Act 2010 in having a substantial adverse effect on his ability to carry out normal day-to-day activities. Despite this, the ET held that the impairment could not be classed as 'long-term'. His two periods of absence had not lasted longer than twelve months and, in particular, his workplace difficulties did not seem to affect him when he was not at work. If anything, his condition appeared to have improved following his dismissal, especially as there had been limited communication between the employee and his GP.

In forming their decision, the tribunal looked at the position that the employee had held at the time of dismissal, reaching a conclusion that the dismissal could have served to limit or remove his impairment. Therefore, it was not likely to recur.

...erred by assuming that the future impacts of his impairment would be time-limited...

The employee's appeal to the EAT was upheld and the case remitted to a new ET for further review. The EAT outlined that the question of whether the employee's impairment was likely to last for twelve months or more, or likely to recur, should have been considered at the time of the discriminatory acts in question.

The discrimination claim was predominantly based on occasions that had occurred prior to the dismissal, meaning the likelihood of his condition recurring should have been considered at these specific times. The ET had erred by assuming that the future impacts of his impairment would be time-limited by his dismissal just because it had served to remove the cause of his stress.

In summary, the EAT held that when considering if an impairment is likely to last at least twelve months or will recur, the key question is whether it "could well happen". The tribunal should not, in their view, have assumed that removing the cause of the stress by dismissing the employee would remove the impairment.

Tillman v Egon Zehender Ltd

In a landmark ruling, the Supreme Court confirmed that unreasonably wide wording in a post-termination covenant can be removed, and the covenant enforced, if this does not generate any significant change to the overall effect of

the restraint.

The employee had established a successful career as an investment banker. She was seen as a "considerable prize" by the respondent which had offered her a higher salary than consultants at her level would usually earn and had promoted her several times.

Following her resignation, the respondent terminated the employment with immediate effect as she had disclosed that she wished to go and work for a competitor based in New York.

The respondent issued proceedings seeking an injunction, arguing that she would be in breach of her six-month non-compete clause within the contract of employment. Her contract instructed that she could not, directly or indirectly, "engage, or be concerned or interested in" any business that was in competition with the respondent for a period of six months. An additional clause stated that if any of the restrictions or obligations outlined were held to not be reasonable for the protection of the "goodwill and interest of the Company", but would be valid if part of the wording was deleted, then the restriction would apply following the modifications.

Tillman argued at the High Court that the clause was not enforceable as it was wider than reasonably required for the protection of the respondent's legitimate business interests. A particular point of contention was not being able to be 'interested in' a competing business. However, the court held that it was not wider than reasonably necessary, as it did not prevent her having a minor shareholding in a competing organisation.

Upon appeal the Court of Appeal overturned the decision finding that the non-compete restriction was too wide as it was not possible for a shareholder within a company to be not 'interested in' that company. Severing the words 'interested in' was also not possible as the clause represented a single covenant; it had to be read in its entirety in order for it not to be changed beyond what was intended.

This was appealed to the Supreme Court which held that though the words 'interested in' did prevent the employee from having a minor shareholding in a competing company, they could be severed. However, the court considered whether it was reasonable for a restrictive covenant to prevent an individual holding shares in a competitor, and outlined whether it was necessary to consider the position of an employee as someone at her level of seniority would frequently be subjected to conditions that she needed to hold shares in the organisation that employed her. Therefore, this prohibition would have restricted her ability to work following termination, which was too wide a restriction.

Although the respondent argued that prohibiting the employee from maintaining minor shareholdings was not the case, the court held that the phrase "engaged or be concerned or interested in" represented a standard precedent in drafting non-competition clauses and included a prohibition on maintaining shareholdings.

...able to provide clear justification for any alterations...

Dronsfield v University of Reading

In this case, the EAT decided that an employee was fairly dismissed for misconduct, despite content being removed from an investigation report that expressed views in their favour.

The claimant worked as an associate professor for the University of Reading. His appointment was subject to a governing statute, which stated that he would only be dismissed for behaviour of "immoral, scandalous or disgraceful (ISD) nature" that was incompatible with the duties of the office or employment.

As part of their employment, all university staff were provided with guidance which explained that if they entered into a relationship with a student, they must not be "professionally involved with assessing or examining that student" and inform their head of department. Allegations were later made against the claimant, that he'd been involved in a sexual relationship with a student without reporting it and had, therefore, abused his position of power and breached his duty of care.

An investigation report into these allegations was produced by a manager in conjunction with a human resources (HR) representative. The initial version of the report found "no evidence to suggest" that the claimant's conduct amounted to ISD; however, the final version removed this conclusion following advice from external solicitors who stated that an investigation report should not set out its own evaluative conclusions.

The claimant was later dismissed for gross misconduct but appealed. Although the external barrister who heard his appeal read the initial report in its entirety and considered the omissions, he upheld the decision to dismiss.

As a result, the claimant proceeded to claim unfair dismissal but the ET, although concerned by the redaction to the initial investigation report, ultimately accepted the investigating manager's findings. However, on appeal the EAT overturned this decision and remitted the case to a fresh tribunal. The EAT found that the report had been heavily influenced and amended by the university's HR and in-house legal departments, meaning the standards of objective fairness had been compromised. Additionally, the ET had failed to consider why the investigating manager had seemingly changed his view to the claimant's detriment.

Once remitted, the new ET once again ruled that it had been a fair decision to dismiss the claimant. The ET held that the investigation manager had changed his view on advice from solicitors and, on the balance of facts, the university had been correct to leave conclusions on the claimant's conduct to the disciplinary tribunal.

Despite this, the claimant once again appealed on the ground that the ET had not adequately addressed the arguments he'd put forward nor provided adequate reasons as to why they had been rejected. However, the EAT disagreed and held that there was no suggestion that any evidence had been withheld from the investigation report, nor that any of this evidence had not been put before the disciplinary panel that had made the decision to dismiss the claimant.

This decision highlights that if an investigation report is altered in any way following input from HR or legal advisors, tribunals will always look to ascertain if these changes were necessary and why they were made. Organisations will also need to be able to provide clear justification for any alterations, as the respondent was able to do here. ■

COMING SOON

Delivering election pledges on minimum wage rates

Danny Done, managing director at **Portfolio Payroll,** discusses the implications of the two main political parties' plans

Over the lead up to December's general election, political parties had been keen to promise a host of changes to the way in which the UK operates, with the issue of national minimum wage (NMW) being a regular feature. Both the Conservative and Labour parties announced plans to revamp the existing NMW system, which would likely cause many employers to adjust their pay practices.

The Conservative party (which as we know has formed the government) specifically pledged to increase the national living wage (NLW) to £10.50 per hour by 2024. The NLW, which currently stands at £8.21, is the highest minimum wage rate and available to workers aged 25 and over. However, the Conservative party also plans to lower this age threshold incrementally to 23 and above in 2021 and finally 21 and above by 2024.

This proposal will effectively revert the minimum wage structure to how it was before the introduction of the NLW by re-applying the highest minimum wage to those aged 21 and over. Whilst fewer age bands will make the system a little easier for employers to understand, it means a significant increase in hourly pay for many workers, which some small businesses may struggle to achieve.

Certain employers may have to amend their business practices as a result to cope with these wage increases. For example, minimum wage employers may consider increasing the number of zero-hours staff on their payroll, in favour of those on fixed-term contracts, to give them more flexibility and avoid overcommitting to paying a certain amount of money each month.

The Labour party pledged to do away completely with the current tiered system for NMW and instead to ensure all workers aged sixteen and over would be entitled to a minimum of £10 per hour. The party suggested that this could result in a pay rise for 7,500,000 workers across the UK.

> ...will effectively revert the minimum wage structure to how it was before the introduction of the NLW...

Whilst the promises of increasing NMW rates will be music to the ears of staff, minimum wage employers can be forgiven for feeling less enthused. After all, many small employers already struggle with tight profit margins and these proposed increases will only place an additional strain on their respective wage bills.

Smaller employers are likely to be more cautious when it comes to hiring more staff, given the increased financial commitment, which may have a knock-on effect on productivity and their ability to meet customer demand. Furthermore, employers who pay above the NMW as part of an employee benefits scheme may also have to enhance their own wage offerings in order to maintain a competitive advantage in the job market.

With the above in mind, it should be noted that the Living Wage Foundation also recently announced updated rates for the voluntary real living wage (RLW). Although the RLW is non-mandatory, figures reveal over 6,000 UK employers have pledged to provide staff with these hourly rates, which are said to be based on the 'true cost of living'.

As a result, the RLW rate for workers now stands at £10.75 per hour in London and £9.30 across the rest of the UK. These independent rates stand to be unaffected by the result of the election, and businesses have until May 2020 to implement these in order to continue calling themselves a RLW-employer.

As far as employers are concerned, it is important to consider how the proposed wage increases stand to affect business operations. Minimum-wage employers should be accustomed to the process of increasing salaries in accordance with new legislation; however, it is worth reviewing payroll systems to ensure the correct mechanisms remain in place for increasing salaries from day one. Human resources departments also stand to have an important role in these procedures, by ensuring personnel files correctly record employees' ages as this will prove essential in determining their NMW entitlement.

After all, failure to comply with NMW requirements may leave employers open to tribunal claims. Employers may also face a separate financial penalty issued by the secretary of state that is set at 200% of the total underpayment, up to a maximum of £20,000 per employee. ■

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We are currently working with a Global Consultancy firm, based in Green Park, who due to continued growth are looking to hire an experienced UK & International Payroller on a 12 month fixed term contract! The role offers a varied range of tasks on a monthly basis, with the main focus being the processing of UK and International Payrolls using ADP within a fast paced environment, as well as acting as a subject matter expert for Pay and Benefits queries for both internal and external stakeholders. You will also support the preparation and submission of all statutory reporting documentation in each EMEA country where a centralised payroll is run.

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This is a brilliant opportunity for a payroll administrator to work within a busy and friendly chartered accountants in Chester. Key responsibilities include processing multiple clients payroll, processing pensions and auto-enrolment, dealing with complex queries and HMRC. The candidate must have experience processing multiple clients payroll and a keen attention to detail alongside Excel and Word knowledge. This role offers flexi-time and also parking on site!

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Time theft and security risks

AN ANONYMOUS poll of 2,000 UK office workers found that a majority regularly spend work time on personal activities online, such as dating, looking for a new job, shopping, watching Netflix, attempting to view 'crude' materials, and visiting sites or opening emails that could cause a harmful virus, malware or ransomware.

Tim Walker, managing director of Aura Technology which conducted the poll, commented: "It's concerning that so many workers are opening email attachments or visiting sites that could cause a virus, malware or ransomware.

"Our advice to workers is to make sure that they regularly update their antivirus software and to think twice before opening an attachment or visiting an unknown site. Considering the poll's results, some employers may also want to review their policies on internal communications and how employees are permitted to use their work PCs for personal use."

Access Group expands HR and payroll presence

ACCESS GROUP, one of the UK's leading software providers for mid-sized organisations, has acquired People HR and The Payroll Service Company (PSC), extending its capability to serve an even wider range of organisations. In the UK, People HR's solution is used by more than 5,000 companies, and PSC delivers payroll services for more than 1,300 companies.

Chris Bayne, chief executive officer at Access Group, commented: "The addition of these two strategic acquisitions further enhances our presence in the HR and payroll solutions market particularly in the small- to medium-market…[We] are extremely well positioned to take advantage of a market that is forecast to grow at a compound annual growth rate of 14% globally through to 2023. Together, we will have the strongest suite of HR and payroll solutions in the market, for companies of all sizes."

ADP simplifies multi-country payroll with ADP® Celergo

ADP, a leading global technology company providing human capital management solutions, has announced that ADP Celergo, which provides a unified platform that simplifies and helps ensure accurate sourcing, managing, and delivery of payroll services across multiple countries, is now available worldwide to help companies manage multi-country payroll. Included are global payroll management services, payroll support and platform.

Don McGuire, president of Employer Services International at ADP, said: "ADP Celergo is a unique solution that offers a valuable combination of access to innovative technology and the highest level of local expertise. These components provide clients with a single system of records with usable and consolidated employee payroll data, simplifying the management of global payroll in 140 countries with the highest level of service and security."

Payslips

A SURVEY by IRIS Software Group has revealed that although one in seven (15%) of the 1,129 employees surveyed indicated they were worried about the accuracy of their payslips, nearly a third of UK employees (31%) do not check them regularly. Surprisingly, it was people working in the finance and accountancy sectors who were among the least likely to regularly check their payslips (41%), along with those employed in media, marketing and sales (47%) and education (42%).

Nick Gregory, chief marketing officer at IRIS Software Group, said: "We find that one of the main reasons employees don't read their payslips is because they do not fully understand them. Organisations could do more to help staff understand their pay. Providing fact sheets and visual guides to explain all the terms on a payslip would be one way to make this easier."

The survey also revealed that many small- to medium-sized enterprises (SMEs) are sticking to paper payslips over electronic methods, with nearly a quarter of all employees – four out of five of whom (84%) worked for SMEs – stating that they still received paper payslips. Nick Gregory commented: "The survey results suggest that SMEs may be slower in making the move to digital than larger businesses. But the added risk associated with paper-based payslips arriving late or going missing means going digital should be a priority for any size of business."

Stress and absence

ACCORDING TO research by Moorepay, a leading UK provider of payroll and HR software and services, workplace stress affects the health of almost three in four (71%) UK employees; with four in ten taking a sick day as a result. The most common causes of stress for the surveyed employees are: heavy workload (55%); lack of control of workload (38%); relationships with colleagues (34%); and not receiving enough support from colleagues (29%).

Anthony Vollmer, managing director at Moorepay, said: "More than fifteen million days are lost a year in the UK because of stress, according to the Taylor review.

"Supporting staff with stress or other mental health issues doesn't have to be expensive or involve a complete process overhaul. Effective initiatives can be simple to introduce and within easy reach.

"The most important factors contributing to happiness at work include a strong internal support network; a strong corporate culture driven from the top; transparent internal communications; and attractive soft benefits such as flexible working.

"A mentally well workforce is fundamental to a company's success. A team that is happy and engaged has higher retention rates, attracts the best talent and delivers greater productivity."

The human touch

Joyce Maroney, executive director, The Workforce Institute at Kronos, discusses the human competencies that can't or shouldn't be replaced by automation

Automation is a hot topic amongst professionals at every level and in almost every industry today – from the chief executive officer to those working at the coalface. Everyone is seeking its promised benefits, meaning we're seeing an increasing number of processes – think manufacturing production lines, or email marketing campaigns – reliant on some degree of automation.

On the flip side, the ubiquity of emerging technology often leads to apprehension among employees who feel that their current and future roles may be threatened by machines or computer software. With artificial intelligence (AI) and machine learning becoming more sophisticated, it's a hot debate, and one that won't be going away any time soon.

However, there are a number of unique and essential workplace skills that only humans can provide; capabilities that are well-beyond anything that machines currently possess. When we consider these competencies, it becomes clear that the human touch won't be going away any time soon.

It is difficult to deny that automation works well in many areas of the workplace. Innovations such as workforce management and human capital management technology have been instrumental in relieving managers and employees alike of time-consuming, mundane administrative tasks such as shift scheduling, shift swapping, and holiday planning.

In essence, automation is good for tasks that have clearly measurable and predictable outcomes, as software can be coded to manage most possibilities and ensure consistency. For example, scheduling shifts, so that each employee's individual circumstances and requirements are met, is something that can be effectively managed with software and combined with elements of AI and machine learning to ensure processes are streamlined on a continuous basis.

When these repetitive tasks are taken out of the hands of managers and employees, and handled by automated software, workers have more time to focus on activities such as spending time with customers, mentoring other teammates, growing their personal skillsets and truly making a difference to the way the organisation is run. In short, automation is the facilitator that enables people to be innovators.

> ***...the human touch won't be going away any time soon***

When it comes to tasks, however, which require more nuanced decision-making, technology and automation are unable to match the power of human input. These are the absolutely essential but often undervalued 'soft skills' (http://bit.ly/30jt0Yl) that any business needs.

The more intricate, non-technical aspects of HR (human resources) provide some great examples of this: people's thoughts and feelings are nuanced and unpredictable, so understanding the complex needs of employees and what makes them tick can only be truly achieved via interaction with another person.

The same goes for recruitment: a candidate might have all the required skills on paper, but they need to be assessed by a human member of staff to make sure they're a good fit for the organisation's culture.

Automated tools can tell you what a person has done in the past but may not be as adept at sussing out their resilience and potential for development and growth within the organisation. Without this, a business will struggle to build a workforce that contains the blend of skills and characteristics needed to foster a productive, collaborative environment now and in the future.

Outside of the working environment, automated assistants have become a fixture of many people's homes. While these devices are helpful and are acquiring increasingly human attributes, loneliness remains a key issue in many cultures, so much so that the UK government launched its first ever loneliness strategy (http://bit.ly/2ReJ3mf) in 2018.

We've managed to map the entire human genome, but we still haven't mastered the uniqueness of human behaviour. Technology can do many things, but empathetic insight is still best developed and delivered from within the human brain. We should, though, remain open to the value of incorporating data-driven insights into our decision-making.

Technology's continued expansion in the workplace is inevitable. Employees will shed many of the cumbersome tasks and processes of old, bringing a degree of freedom to create and innovate in a way that they hadn't been able to do before.

That said, the adoption of any new automation must be accompanied by thoughtful change management. The successful adoption of any new programme begins with effective communication. It's crucial to make it clear to employees that automation is there to complement them, not supersede them. Training and providing ongoing support for their questions after the launch of a new product is mandatory. Where technology will replace jobs, employers can play a leading role by developing displaced workers for alternative positions.

In the best case, automation liberates people from drudgery while challenging them to invest their uniquely human capacity for innovation and collaboration in your organisation. The puzzle isn't to figure out human v automation, but rather to set the stage for them to each do what they do best. ■

Automation

Jerome Smail, freelance journalist, presents comments and insight of industry luminaries on aspects of this key issue facing the profession

Payroll is a complex job requiring up-to-date knowledge and hands-on skills. But let's face it, we're used to people outside of the profession taking it for granted. How many times have we heard stories of colleagues who thought the function amounted to 'just pressing a button'?

But with automation on the rise and predicted to play an increasing role in many areas – including payroll – in the coming years, to what extent will the world of work change, and where will it leave the profession?

To find out the state of play and what the future holds, I spoke to four key players in payroll and human resources (HR):

- Jaspal Randhawa-Wayte, Chartered Member of the CIPP and director of product management, payroll solutions at Zellis
- Sharon Looney, chief human resources officer (CHRO) at CoreHR
- Richard Rowell, chief executive officer of Dataplan, and
- Laura Hughes, head of marketing at PayDashboard.

> ***...while automation will eliminate traditional roles, it will also create new ones – in other words, disruption not destruction***

How is automation changing the workplace at present?

Jaspal Randhawa-Wayt: Automation is frequently seen as something new and exciting, but the reality is that it's been used in one form or another since the industrial revolution. However, the growing availability and adoption of software applications over the past two decades or so has made the use of automation commonplace across all manner of industries.

Of course, exactly what automation is used for varies from business to business, but in general terms its role is to perform traditionally manual yet often mission-critical tasks on behalf of the worker. For payroll professionals this can include tasks such as data collection, transfer and validation.

It's easy to see this removal of human intervention as a catalyst for the loss of jobs. In some cases this is certainly true, but most experts now believe that while automation will eliminate traditional roles, it will also create new ones – in other words, disruption not destruction.

The long-term impact of this can be extremely positive, because not only does it save time and money on the completion of those mission critical tasks, but it also means that workers can transition into

higher value, more strategic roles – those which still require that essential 'human' element instead of mundane tasks such as running routine payroll processes. For people working in payroll and reward, for example, this could mean moving into a broader HR or finance role.

Sharon Looney: Organisations are automating many of the transactional aspects of HR – especially payroll but also elements of people management, workforce management, recruitment and onboarding. Not only is automation making HR more efficient, improving return on investment, but the fact that it also frees the function from routine means HR teams can undertake the more strategic responsibilities of their role. Smart automation also delivers insightful analytics around HR's contribution to key goals like improving talent retention, increasing customer satisfaction, revenue and profit. This helps HR steer and align people strategy with business goals, and prove its contribution to the board.

Done well, and via a single unified payroll and HR platform, rather than disjointed applications, automation is freeing HR to design positive workplaces that people want to work in. This optimises employee engagement and boosts the value people deliver to the business.

Richard Rowell: If you aren't already looking at automation then you should be. With ever-increasing drives to increase speed, improve accuracy and reduce costs, automation must already be on the agenda and being implemented for your payroll functions.

In a practical sense, for a payroll team managing thousands of disparate customers, automation comes in the form of importing data provided by business and increasingly accessing data via application program interface (API).

I think most people will have already adopted many forms of automation by necessity without even realising it. The advent of real time information will have forced the last few manual payrolls onto software solutions. The introduction of automatic enrolment has also forced the pension providers to be as lean and automated as possible with their low charge pension schemes.

Payment solutions may be an area ripe for automation. There are many businesses with very labour-intensive methods and there are many new approaches and new entrants into the payments management processes. Historically, paying bankers automated clearing services (BACS) files was an area that required high levels of review and control. That would lead to manual process, spreadsheets, logins to BACS portals, uploading files and so on. All of these are areas where automation can help and actually provide stronger controls while minimising manual input.

Laura Hughes: There are a lot of repetitive tasks in payroll and HR. These tasks must be undertaken, but it does not make commercial sense for them to be undertaken by a highly skilled and qualified HR or payroll professional, whose time would be better spent elsewhere. Automation of small, repetitive tasks that do not require expertise to undertake frees up this personnel resource to be utilised elsewhere. Not only does this improve efficiency, but it means that a highly qualified individual is not spending their time on menial tasks and can utilise their skills on projects that are mentally challenging and rewarding for them.

...will revolutionise our profession by eliminating all of those routine tasks or tasks where a computer can do something better ...

There is clearly huge scope for automation of payroll in outsourced payroll bureaux in particular. Small, static payrolls that rarely change month on month can now be automated, and there are some exciting software providers entering the market to offer payroll automation for accountants and payroll bureaux.

What changes do you think automation will bring in the future?

Jaspal Randhawa-Wayt: As automation becomes more and more commonplace, the natural next step for forward-thinking organisations is to explore where they might be able to apply artificial intelligence (AI) to make their core processes even smarter. This makes sense within the payroll industry, especially as the number of legal requirements increases, the enforcement of compliance become more rigorous, and the nature of the workforce becomes more complex and unpredictable.

There are various subsets within AI and one that is likely to have a profound impact on the payroll industry is machine learning. We are already seeing some organisations experiment with processes such as continuous compliance, where the software is trained to recognise compliance errors and automatically fix them, significantly reducing risk. Another example is the use of chatbots that are trained to respond to common HR and payroll-related queries from staff members.

The immediate benefits of this are reduced costs, fewer errors, and greater access to analytics that fuel business decision-making. But the increased adoption of software may also help to alleviate succession planning problems in the long-term because, unlike human staff members who switch jobs on a regular basis, machines can be a permanent presence within an organisation. This helps ensure the continuity and consistency of core HR and payroll processes.

Sharon Looney: For HR to contribute more to the corporate strategic agenda, it's going to need to be able to quantify its value-add in reporting to senior executives. Given this demand, I think we'll see automation vendors deliver ever-better analytics. This will support HR operational excellence, ever better decision making and objective management reporting around how HR initiatives are impacting multiple aspects of an organisation.

With the increase in data available to HR professionals, I expect an increase in 'enabling' technology to help HR make sense of it all. Machine learning and AI will have an increasing role to play here, allowing us to drive more and more insight and prediction from a more diverse and broad set of 'people data'. We will see these tools growing in their accuracy and business impact. That said, my experience so far is that AI will complement rather than replace the human component of HR.

Richard Rowell: Our view is that automation will eventually eliminate the needs for any payroll team to be mass

data entry clerks. Starter and leaver processes, employee changes, time management and absence capture are increasingly being completed electronically by business themselves. Payroll needs to encourage, promote and support this and adapt its processes to harness data, maximising automation to minimise data entry.

Automation will revolutionise our profession by eliminating all of those routine tasks or tasks where a computer can do something better than a human. However, unlike bookkeeping, for example, payroll is a discipline that involves significant and complex legislation. Add to this the diverse policies and rules each employer operates and it is difficult to see how automation will eliminate the need for payroll professionals.

With a relatively stable paid workforce in the UK, automation may ultimately reduce the number of people involved in the profession, but those individuals have a fantastic opportunity to promote their skills and knowledge and the profession.

Laura Hughes: I believe that as a result of automation, HR and payroll professionals will spend more time on advisory or consultative work, rather than simply processing data. The dynamic of the day job will shift, but there will always be a need for a human to interpret the data, particularly when the data deals with some of the most personal aspects for an employee – including their pay. No matter how much of the payroll process is automated, you will need that human element to interpret and advise on the data.

We've already seen some of our clients implement their own robotic processes to automate simple tasks in the payroll cycle, such as moving reports from their payroll software into PayDashboard via robotic process automation. They have achieved huge efficiency savings as a result and improved accuracy.

Functions such as payroll have been highlighted as being among the most affected by automation. What can be done to prepare for changes?

Jaspal Randhawa-Wayt: One of the biggest issues is changing the mindset commonly found in traditional professions like payroll, that because 'things have always been done this way' there is no need to change. Automation is an inevitability and those organisations that are not willing to adapt will only be left providing an inferior employee experience compared to their competitors.

> ***...desktop or installation-based software – will really struggle to keep up with developments in automation***

Changing this mindset is all about involving payroll professionals directly in the process of change. This means clearly communicating the benefits that automation can bring to the organisation and its staff. It also means working with them to determine which areas of their roles are likely to be taken up by automation, and to identify opportunities to upskill in other areas where they can add strategic value. This will hopefully help to alleviate some of the concerns they will harbour about the future of their jobs.

Sharon Looney: For years on end, there's been much talk about the need for HR to become more 'business-savvy'. Beyond that, the challenge for HR is to upskill as data analysts and master the art of HR data collection, analysis and interpretation. We need to also develop the skills to apply this insight to guide HR initiatives and measure their success. We need to use evidence-based key performance indicators to elevate the HR discussion to the right level of strategic relevance.

Becoming more 'tech-savvy' and armed with the right HR technology, professionals can truly draw direct lines between their initiatives, their data and overall business performance outcomes. We must become competent at presenting this insight at board level. This as well as building the skill and competence to build and integrate remote teams, mediate disputes, build collaboration and enable performance across a digital landscape.

Richard Rowell: We must view payroll as a professional service. Yes, there are tools to automate and make the task of processing payroll easier but our value as professionals doesn't come from our ability to enter data and calculate PAYE [pay as you earn]. As with our professional counterparts in accountancy, legal and HR, our value comes from detailed understanding of complex legislation and being able to translate that to the businesses we work in and for.

Whether payroll can become truly strategic within a business, I'm not sure. It would depend on the business, but at the very least payroll needs to align itself with the business strategy.

Laura Hughes: It is vital that if payroll teams want to take advantage of automation, they need to get their house in order early when it comes to the software systems that they are using now. Some legacy payroll products – particularly the desktop or installation-based software – will really struggle to keep up with developments in automation.

Cloud-based solutions with open APIs to connect to other systems have a huge advantage in the race to automation. But it can take months to implement a new payroll system, so if payrollers want to truly take advantage of automation then they need to ensure they are utilising the right software now to provide a platform for this. ■

Skills and staff shortages

Jade Linton, senior associate of **Thursfields Solicitors,** provides practical guidance and tips on managing issues of workforce disruption and skills shortages

A recent report by PwC (https://pwc.to/2r6C1a7) has revealed that by 2030 up to 30% of jobs could be automatable; and with Brexit pending no one can deny the imminent changes that leaving the European Union (EU) will have on the workforce and particularly its impact on skills shortages in the UK.

One challenge will be the ability to recruit and retain appropriately skilled labour. Can advances in automation assist, but if not how can employers prepare for these uncertain times?

Automation and its impact

Another report by PwC (https://pwc.to/2sGnaTY) analysing more than 200,000 jobs in 29 countries, concluded that there are many economic benefits posed by automation.

According to the report, artificial intelligence (AI), robotics and other forms of automation will contribute up to fifteen trillion dollars to global gross domestic product by 2030. This wealth will bring increased demand for jobs as well as bridging the gap left by staff and skills shortages in the event of a sudden no-deal departure from the EU.

In some sectors, and particularly those with a multi-national function engaging in cross-border trade, smart automation may be the answer in reducing the logistical challenges faced by the unavailability of appropriately skilled workers.

Though AI alone will not resolve the short- and even medium-term issues left by gaps in staff and skills shortages post Brexit, the data is somewhat clear that AI is 'the future of the workforce'.

But what can be done about the immediate challenges in the meantime?

● *Risk assessment* – A good starting point is to establish an organisation's exposure to risk, loss and disruption in staff and skill shortages by carrying out an audit of the workforce followed by a risk assessment. This exercise enables the organisation to see the actions to reduce the short-and medium-term impact staff changes will have and also provides it with a strategy to plan for the longer-term impact. An effective audit and risk assessment should include:

❍ Identifying UK nationals working elsewhere in the EU as well as nationals from those countries working in the UK. This will help to plan for worker mobility restrictions and labour shortages that could result from Brexit.

❍ Carry out a review of all European expatriate and secondment arrangements.

❍ Check and monitor the immigration status of UK inbound and outbound expatriate workers and establish the date on which they can apply for permanent residence or citizenship.

❍ Review whether contractual provisions such as restrictive covenants, confidentiality or intellectual property obligations need to be amended to address any unenforceability risks which may follow after Brexit.

> ...increased demand for jobs as well as bridging the gap left by staff and skills shortages...

● *Identify and support impacted staff on immigration status* – Following the audit and risk assessment described above, the organisation will now have a list of key individuals who are nationals of EU states, and can consider what resources need to be put in place to mitigate any impact of Brexit on the affected employees. For example, in an effort to assist retention, a business may consider making a contribution towards the legal costs of affected individuals to receive legal advice about securing their UK residency.

Communication channels between human resources departments and wider teams need to be kept open and regular with a willingness to receive and answer questions promoted to staff.

● *Check your terms and conditions* – In the event of a sudden no deal departure from the EU, businesses will need to identify areas where staff and skills gaps will appear and have short-term solutions available. Such solutions may include suspending or even terminating certain services but not without first assessing the legal and contractual implications of this exercise with any customers and suppliers. Automation may also help with skills shortages in less business-critical areas.

Long-term measures

It is in the medium- to long-term that organisations can really see the benefits of deploying various strategies to mitigate damage caused by staff and skills shortages. In addition to automation these strategies include:

● diversifying talent pools
● upskilling staff to have the skills required to use automated technologies, and
● having robust measures in place to secure retention.

It goes without saying that preparation is vital, whether changes to workforces are brought about by Brexit or the steady wave of change in the employment landscape. Organisations would be best advised to have such changes on their strategic agenda now in order to avoid major disruption to their workforce(s).

Comment

Automation is here to stay and organisations alongside the government would be wise to work together to help people adjust to these new technologies through training and career progression. Promoting a culture of adaptability and lifelong learning across workforces will be crucial for spreading the benefits of AI and robotics whilst ensuring there are no wider implications in terms of job losses. ■

Keeping up with the demand

Charles Knox, director of product and solutions at **SD Worx UK,** reveals research findings and discusses the implications

Human resources (HR) and payroll (HR&P) juggle a lot of tasks. From remaining compliant through to preparing for the fluid nature of the future workforce, HR&P departments face a constant balancing act when it comes to keeping business leaders and employees happy. But recently, HR&P has had another ball to juggle: data. Research has found that other departments are looking to HR&P to help inform strategic business decisions, using the data they hold on employees. Data is unleashing a whole new demand for this already busy function – and helping HR&P to secure a seat in the boardroom.

Our latest research highlights that almost three-quarters of European employers (69%) trust HR&P to provide data-based insights and appreciate the added value these can bring to the business. However, this has created new challenges for HR&P when it comes to delivering on these new demands. Businesses need to support these departments with the right tools and infrastructure to ensure it can keep up with the demand for data.

HR&P data is arguably the most important data in business, as it allows the sharing of information about an organisation's most critical assets: its people. It can be used to inform on employee performance and engagement, talent gaps and predict future trends based on historical data assets, to name just some uses. From utilising data to make lists (58%) through to more complex tasks such as linking different data sources to find correlations and patterns (38%), data is an integral tool to future proofing not just the workforce but the business at large.

The fast-changing demands of the workforce such as flexi-pay, flexible hours and continuous performance feedback means HR&P must adapt to the increasing fluidity that employees seek in their jobs. Data is central to HR&P responding at speed to the fluid demands of the workforce. This is supported by the research which found that in the UK 46% of business decision-makers believe HR&P data can impact employee satisfaction and engagement. HR&P departments can work with the business through using data to guide, build and unleash high performance. From getting people paid through to attracting and rewarding talent across the organisation, HR&P play a crucial role in supporting the changing demands from the workforce. Holding real-time, data-led insights on employee needs enables businesses to make decisions that support engagement and garner a strong future for the business.

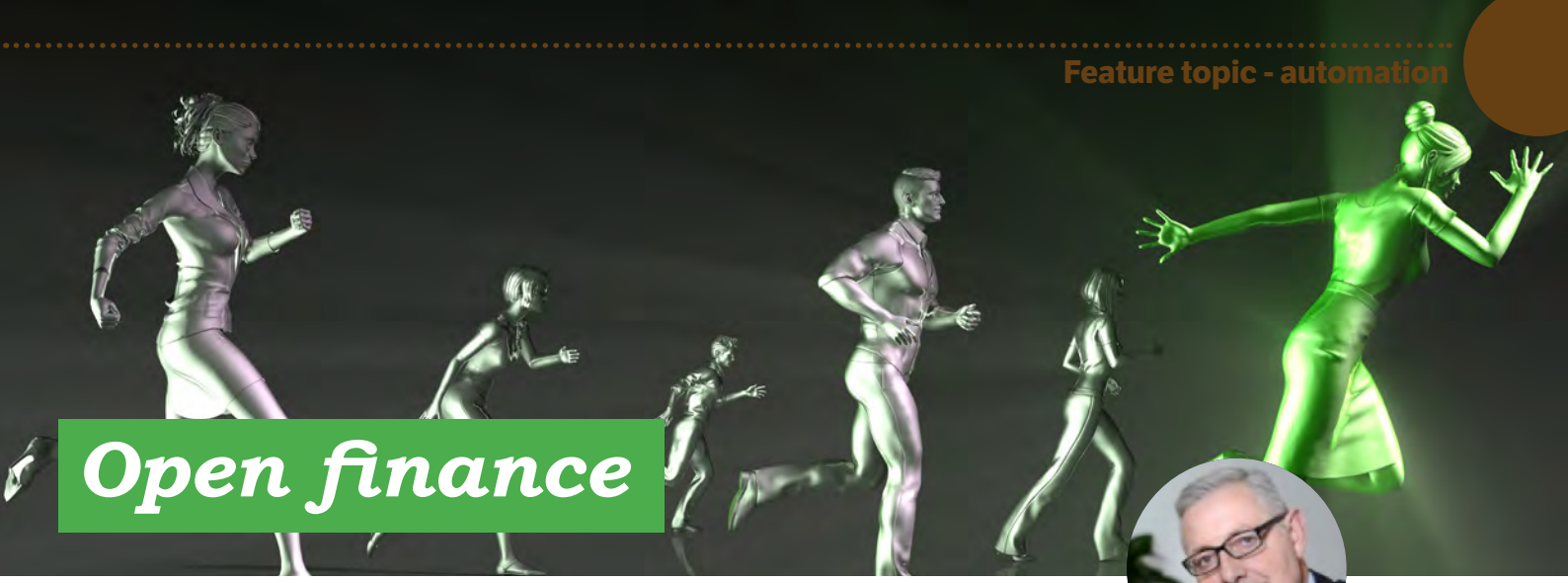
> ***...crucial role in supporting the changing demands from the workforce...***

The demand for data is at an all-time-high and there is no sign of it slowing. In fact, according to our research, 43% of HR decision-makers across Europe are being asked for insights at least once a week. The reasons for these include absenteeism (44%), employee costs (40%), and productivity (40%). If HR&P are expected to respond to these demands, decision-makers must equip them with the right skills and infrastructure to ensure the best possible insights are being shared.

For decision-makers to support HR&P they must first understand the departments' needs. 69% of European business decision-makers think HR&P is comfortable in handling and analysing data, and around two thirds think the right skills and competencies to embrace data-based insights are currently in place. But there is no time for rest, as our research further states that the skills needing further work when it comes to HR&P data-based insights are analytical skills (40%) and change management skills (34%). If businesses are to continue expecting data-led insights from HR&P, decision-makers must realise there is still much work to be done putting the right support in place for their teams to respond to the demand for data. This challenge can be addressed through offering appropriate training opportunities. For example, teams can get training on data analytics in order to track themes in employee absenteeism, which then enables HR&P to consult business decision-makers on employee engagement schemes. This is just one of a number of challenges to address before HR&P takes a seat at the boardroom.

There are other obstructions stopping businesses from embracing HR&P data across the board. The top three potential barriers to embracing data-based insights are: a lack of communication between HR and the broader business (29%); the costs associated with it (27%); and internal structures limiting innovation (28%). These can be lifted through an attitude change in the organisation. If 56% of respondents expect trust by non-HR decision-makers in applying HR data-based insights to improve over the next two years, businesses must ask HR&P for their insights and opinions in the bigger discussions in the business.

HR&P departments are facing a new balancing act – keeping up with the demand for data. If supported in the right way, HR&P can position itself as a strategic business partner. But if the demand for data is set to increase, technology and internal knowledge must rise alongside it. ■



Open finance

Henry Tapper, chief executive officer of **AgeWage,** explains what this initiative means and how it could work for payroll

The Financial Conduct Authority (FCA) has published a call for input to an initiative it is calling 'open finance'. Several commentators within the financial services sector (including myself) see it as the key to unlock our engagement with the money we own – or owe.

One of these commentators, Ian McKenna, has gone on record as saying: "I now regard the whole debate over what should/should not comprise a pensions dashboard as a red herring. For many months I have been arguing that emerging open finance services would rapidly overtake those solely intended to provide pensions information."

It is hardly surprising, but Sheldon Mills, the FCA executive charged with delivering the initiative, recently had this to say in a speech: "Imagine one morning on your way to work you open an app that shows you the history and insights of every financial product you own: your current account history and spending habits; your savings and investments; your mortgage balance and projected pension pot. All in one place; all a couple of clicks away."

I had a recent conversation with my doctor which involved me asking a lot of technical questions. Though the complexity of those questions was beyond my general practitioner (GP) she had a smart phone and was able to answer each question with its help. In fact, the iphone became the third person in the room. I am sure everyone has a similar story to tell.

I am equally sure that it is not in the British Medical Association's handbook for GPs to respond to questions with the quip "I don't know but i know a bot that does", but National Health Service professionals are finding ways to deliver information that outwit the handbooks. Indeed, as my GP told me, the textbook she'd consult would be out of date by the time she read it.

Open finance is a system of data transference that puts answers in our hands in real time. It is something in which the payroll profession should be hugely interested, and which progressive master trusts are developing. Indeed, product providers are waking up to the competitive advantage they can create by offering dashboards that allow their members to see other pension products and aggregate to them.

> ***...a fast-track approach to delivery that is encouraging the more agile 'pentechs'***

Building the functionality to launch these products is relatively easy but connecting them to third parties is difficult. The FCA's paper lists the barriers to delivery and most of them relate to protective strategies adopted by established pension providers keener to maintain market predominance than interact with more agile newcomers.

The government appear to be in no hurry to deliver a pensions dashboard. When it first mooted the project in 2016 the idea was to have a prototype in place by the end of 2017; though this was achieved the next fourteen months were spent arguing who would deliver the dashboard and whether multiple dashboards could be offered by commercial players.

At the beginning of 2019, the government announced it would be delivering a single dashboard from which other dashboards could develop but nearly twelve months later, little has happened. This has suited the strategies of many pension providers. Established players have decided it is best to adopt the Department for Work and Pensions' (DWP's) approach of slow delivery.

Meanwhile, the FCA's open finance initiative appears to be promoting a fast-track approach to delivery that is encouraging the more agile 'pentechs'.

This year looks likely to see the competing strategies of established pension providers such as NEST (National Employment Savings Trust) and People's Pension clash with the disruptive visions of new players such as Smart Pensions and Pension Bee. The former will get behind the state sponsored dashboard favoured by the DWP and The Pensions Regulator while the latter will align themselves with the Treasury and FCA's vision of open finance.

At The Rewards event in 2019, it was interesting to see the payroll and reward sector voting for the first time for Smart Pensions over NEST and for the enlightened digital delivery of the Dorset Healthcare University Trust in delivering pension information.

Payroll has transformed since auto-enrolment started. In those seven years I have seen the industry embrace the API (application programming interface) and move towards the kind of digital interactions that would enable delivering a pensions dashboard in a fraction of the delivery time envisaged in the government's proposed timetable.

If you are in payroll and want to read about open finance, visit http://bit.ly/2Qa3QYK. Alternatively, you could ask your phone about the FCA and open finance! ■

The future of payroll

Chris Deeson, UK country lead for **KeyPay,** presents his views

In September 2015, a BBC online article suggested that the payroll profession was the eighth most vulnerable industry to be automated, with a staggering 97% chance of automation. However, the article cleverly did not specify a timeframe.

Just over four years on and the payroll recruitment market is booming, salaries are increasing, and trained payroll staff are at a premium.

In 2020, payroll now feels in a similar position to where the accounting industry was back in 2015. Back then, accountancy practices had not embraced cloud platforms. Today we all know that new technology will be widely adopted relatively quickly, but there's a tension in the industry between 'who will make the first move' and complaining about the limitations on business growth of arcane desktop solutions.

But the future of payroll is more than just embracing new technology; so let's start off by considering some of the other areas that will change and evolve.

Devolution

Post-election, it is almost inevitable that the scope of devolution will increase in breadth and depth.

Increased powers are likely offered to try and fend off independence, but Northern Ireland is an example of where inertia can widen the differences between the four nations.

For the past three years there has been no sitting Northern Ireland Assembly, resulting in a wide range of legislative change in Great Britain that has not been mirrored in Northern Ireland (e.g. holiday reference periods of 52 weeks, which will not apply in Northern Ireland this April).

Devolution-related diversity will be a key component of the future increased complexity that payroll professionals and payroll software will face.

Legislative change

It's not particularly insightful to predict increasing amounts of legislation that will make payroll increasingly complex. But the power of real time information (RTI) makes this inevitable. Payroll holds the key to the successful transmission of so much personal data to HM Revenue & Customs (HMRC) – and, by extension, to the Department for Work and Pensions and The Pensions Regulator.

> ***...new technology will be widely adopted relatively quickly, but there's a tension in the industry...***

Regardless of the long-term future of universal credit (which is ostensibly why RTI was introduced), it is highly likely that the breadth of data transmitted in RTI submissions will be expanded, requiring more onerous data capture and calculation for payroll and a widening of the scope of what 'payroll' means.

Specific legislative changes are harder to predict, but it is likely that automatic enrolment will be extended to younger age groups and contributions amounts increased, in part to address the pensions gap for women.

I also expect the government to eventually try and grasp the horns of the gig economy and determine how it wants to protect workers and claim its tax grab.

Pay gap reporting is also likely to be widened to ensure that pay equality monitoring is extended over a society trying to be more inclusive.

Even in politically uncertain times, it is extremely hard to see a scenario where the impact of legislation on payroll is going to make anyone's life simpler in the near to medium future.

The convergence of HR and payroll

Payroll holds the key to reporting data to government and, similarly, it also holds valuable human resources (HR) data that needs to be exchanged between various HR and business systems.

CSV (comma separated values) downloads don't really cut it. Though API (application programming interface) integrations definitely streamline processes, they are dependent on choosing the right integration partners in a world of finite development resources.

In the short-term, I expect HR software providers to integrate and 'white label' payroll software to provide a more rounded solution. The longer-term is likely to be dominated by single systems covering both payroll and core HR requirements (e.g. qualification and document management, expenses, absence management, time and attendance etc).

The exception may well be in the recruitment and performance management aspects of HR. The additional complexity and specialism give a competitive advantage to highly integrated specialist systems.

The impact on payroll jobs? There may be some blurring of lines in some processes, but the complexity of the legislation is likely to mean that payroll and HR will continue to be separate functions, albeit working more closely.

Technology

The uptake of cloud payroll software will mark the biggest change to the payroll software market in decades. New entrants to the market are starting with a clean

technology slate and 2019 saw at least five completely new cloud payroll products enter the UK market. Expect more in 2020.

Cloud payroll is already being embraced by SMEs (small- to medium-size enterprises) and bookkeepers, and 2020 will see significant numbers of 'cloud accountants' migrate across.

Larger bureaus are more likely to adopt a phased approach, utilising the efficiency gains of the cloud providers with the specialisation of their existing desktop solution.

Expect large in-house operations to review their software as existing licences and/or agreements come to an end.

But why cloud technology? Well:

- it removes a large business continuity risk (no onsite servers or local back-ups required) and you can work anywhere
- the cloud is generally quicker (2,000 new joiners processed and assessed in under twenty minutes, anyone?) and more flexible
- constant delivery of upgrades, and
- lots of automated features.

Cloud payroll software generally increases efficiency and will dominate the payroll market within two to three years for most-use case scenarios. In the same timeframe, true open banking will be available to all with automated payments, increasing accuracy and efficiency of payments. Will this mean we are all paid daily in five years' time?

It may take a bit longer to see the end of paper payslips (five years?), and CSVs should only be restricted to recidivist pension providers by then.

...AI is less prevalent in payroll software than you'd think, but it is making small advances

Increasing automation of routine administration tasks will rise rapidly, significantly increasing efficiency, job satisfaction and productivity.

Today it is easily possible to run a whole payroll automatically each pay period; including automatic enrolment submissions, journal uploads, RTI, payslips, employee notifications etc. It takes just a couple of minutes to set up for the whole tax year, knowing that the system will even suspend that automation and let you know when certain flags are raised.

The unpredictable technology call is 'artificial Intelligence' (AI). True, AI works without human intervention; it will pick up on clues in the environment to make decisions, take actions, offer solutions and learn from its experiences.

Despite the claims, true AI is less prevalent in payroll software than you'd think, but it is making small advances. In the near future, AI is likely to improve the efficiency of some of the routine payroll tasks, but significantly shaping the payroll profession as a whole is a lot further away. In the interim, I doubt that the need for skilled payroll professionals is going to significantly abate.

Overall, the future of payroll is one where technology picks up the mundane chores. However, the increased complexity of legislation, devolution and the impact of HR functions will mean that payroll professionals should not be worrying about becoming obsolete – in fact, they should be upskilling to embrace an even more complex future. ■

Technology to support change

Ross Tracey, managing director, Ceridian Europe, identifies the crucial role technology plays

The UK has one of the lowest unemployment rates in the European Union (3.9% – see http://bit.ly/3aaUXpC) and the highest demand for vacancies since 2000 (742,000 open vacancies – see http://bit.ly/36UIoNs). Clearly there is a demand for talent.

As a result, companies and recruiters are having to be more creative around how they attract the best people by offering more flexible working conditions. Technology will clearly have a role to play in supporting these initiatives as talent within certain sectors can access the tools they need to do their jobs – whenever and wherever suits their lifestyle.

There are several technologies that have emerged over the last decade which have had a huge impact across all sectors. Yet businesses recognise that simply pursuing the 'next big thing' isn't going to better the employee experience or drive business performance. For example, the focus is squarely on using artificial intelligence (AI) to spark transformation, and not just to automate broken or laborious processes. The greatest impact in the near-term appears to be using AI to augment and amplify the actions of people rather than to replace them.

Similarly, big data and predictive technology has changed user expectations. Employees expect more, decisions are data-driven, global workforces are mobile, regulatory complexity is increasing, and predictive tech changes everything.

Our research (http://bit.ly/2FTv2EZ) shows that whether they are an entry-level employee or a vice president, people want to see their work making a difference. The findings suggest that staying with one company for several years let alone decades is becoming less prevalent.

The way work is evolving, it's more about continuing to have an expansion of knowledge and experience. Our research found that the majority of younger people want to feel their work is aligned with their values providing them with a sense of purpose. Company missions, values, and brand promises should go beyond the employee orientation booklet and come to life in a way that is natural and fundamental to the workplace culture, experiences, and environment.

Looking at the responses from older generations, on the other hand, these workers are often more ambitious and more likely to work with a single employer for longer. Since they're goal-oriented, they are often motivated by promotions, professional development, and having their expertise recognised and valued.

> ...technology is being readily used to retain star employees...

Of course, while there are trends and patterns across different demographics and groups, it's fundamental that organisations build their people strategy around the individual needs of their people.

Creating a long-term commitment between an organisation and its people requires a dedicated retention strategy. Tactics to attract and retain talent – regardless of generation – include the following.

- *Personalisation* – Employers should create flexible strategies to accommodate the unique circumstances of employees' career and life stages.
- *Transparency* – Employees need clarity on what to expect about compensation, promotions, and their career trajectories at the organisation. Regular check-ins keep everyone on the same page.
- *Total wellness* – Shift from a transactional relationship with employees to one of mutual support. Organisations that support the complete financial, physical, social, and emotional well-being of employees, at any stage of life, inspire dedication and loyalty.
- *Career growth* – Employees want new challenges, even those who aren't in line for a promotion. Find ways to offer new opportunities to the right people at all levels.
- *Provide purpose* – Ensure every employee knows the impact they make on company goals and empower them to drive results.

Employers should spend time building retention strategies around those employees who are the future of your business. No matter the age, role or tenure, you can keep a diverse talent pool engaged and performing their best throughout their career.

For leading businesses, such as Ceridian, technology is being readily used to retain star employees, as follows.

- *Collaboration* – We believe work is what you do, not where you go. To support our flexible workforce (full-time, part-time and remote workers), we are deliberate in the technology we provide to drive collaboration across our organisation. It's not a 'one-size fits all' approach either.
- *Succession planning* – We provide technologies to our people and our leaders to help them identify the right employees to fill key roles in the event of expected or unexpected turnover or in instances of growth.
- *Predictive analytics* – Enabling leaders to understand and analyse key factors linked to employee flight risk. By identifying early top performers who are at risk, leaders can be more diligent in their coaching and development initiatives.
- *Candidate experience* – As organisations grow, and candidates engage with your brand, you need to create a positive and engaging candidate experience from hire to retire.

The key for the next decade will be to ensure organisations create collaborations between humans and technology to succeed in the marketplace of the future. ■

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

To book one or more entries in the *Professional in Payroll, Pensions and Reward* useful contacts directory, contact **Jill Bonehill** on 0121 712 1033 or email advertising@cipp.org.uk

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
Website: 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,
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Tel: 01227 206495
Email: sales@liteconsulting.co.uk
Website: www.liteconsulting.co.uk

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

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

Compliance and quality standards

Payroll Assurance Scheme (PAS)
Goldfinger House, 245 Cranmore Boulevard, Shirley, Solihull, West Midlands, B90 4ZL
Tel: 0121 712 1000 Fax: 0121 712 1001
Email: compliance@cipp.org.uk
Website: www.payrollcompliance.org.uk

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

Fully managed outsourced payroll services

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

Frontier Software'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
Tel: 0845 184 4615
Website: www.moorepay.co.uk

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

Moorepay. Making payroll & HR easy.

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

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

Zellis 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.

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

Miracle from Eque2 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.

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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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Tel: 0800 035 0545
Email: hrsolutions@zellis.com
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.

Payroll bureaux

Cintra HR & Payroll Services
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Gateshead, Tyne and Wear NE8 1ET
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Contact: Nham Lee Email: sales@cintra.co.uk
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Target Employee Range: 50+
Email: sales@frontiersoftware.com
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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

Frontier software
Human Capital Management & Payroll Software/Services

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.

Payroll business solutions
A CIPHR COMPANY

Payroll software

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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
- Automated calculation and payment for holiday, sickness and maternity
- Integration with finance and other systems to save time and avoid duplication of effort

Frontier software
Human Capital Management & Payroll Software/Services

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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
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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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Payroll Business Solutions Ltd
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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

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.

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Payroll training and qualifications

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Tel: 0121 712 1000 Fax: 0121 712 1001
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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

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Tel: +44 (0)1246 543000
Contact: Joanne Hawxwell
Email: enquiries@datagraphic.co.uk
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Join over 800 UK organisations who trust our Epay application to connect their workforce to vital payslips, P60s, P45s, reward statements and more. Epay integrates with existing payroll software, enabling you to distribute time-critical employee documents in 2% of the time and achieve a return-on-investment in as little as three months. Connect employees securely to their data around the clock from any internet enabled device with a GDPR compliant application.

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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
Website: www.frazerjones.com

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

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

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

James Gray Associates
Brewmaster House, 1 The Maltings, St Albans, Hertfordshire AL1 3HT
Tel: 01727 800377 Fax: 01727 221220
Email: jga@jgarecruitment.com
Website: www.jgarecruitment.com
Twitter: @jgarecruitment

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

Payroll Elite Ltd
1146 High Road, Whetstone, London, N20 0RA
Tel: 0203 815 7064
Email: vacancies@payrollelite.co.uk
Website: 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
Website: www.portfoliopayroll.com

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

Time and attendance

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Tel: 0845 3703210 Contact: Sales Department
Target Employee Range: 50+
Email: sales@frontiersoftware.com
Website: 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 date
- Fully integrate with our payroll and absence management software

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