Official publication of The Chartered Institute of Payroll Professionals

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 63
September 2020

Compliance success

Future of payroll report
Annual survey

Tributes to Lawrence Warrell
(1933–2020)
Abiding memories

Furlough on the frontline
Payroll in a pandemic

+ CIPP UPDATE | POLICY HUB | PERSONAL DEVELOPMENT

40 YEARS OF LEADING THE PROFESSION

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness"

The opening words from *A tale of two cities*, by Charles Dickens (1812–1870) (https://bit.ly/3iHq1B6)

Editor's comment

For those on the payroll frontline the last six months have been a testing time, personally and professionally. Pages 34, 35 reveal contrasting and poignant views of roundtable participants.

It is surely unarguable that without the coronavirus job retention scheme (CJRS) the UK would be experiencing extraordinary (perhaps unprecedented) levels of unemployment. Recent statistics (see page 16) – derived from PAYE real time information data obtained from payroll – indicate how crucial the CJRS is to employers and employees and, consequently, for the economy.

The UK is now witnessing growing numbers of employers announce redundancies, which seem to be occurring just as the claimable amount under the CJRS diminishes. See pages 24, 25 for a timely reminder of redundancy processes and procedures. Are there sound arguments for extending the CJRS?

It is to be hoped things improve later this or early next year. Pages 50, 51 outline survey findings about the future of payroll.

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

Chair's message

This issue's theme of compliance success drew me to one of the key aspects of any service delivery model whether in-house or outsourced. That is, everyone understanding the role they must play within the delivery model and the role others have to play. I have often used the analogy of a jigsaw puzzle, and every piece playing their part to make up the complete picture of service.

Culturally, compliance must be thought of in the same way as health and safety and customer service – it is the collective responsibility of the team. It is not the responsibility of an assurance officer, or audit personnel. Rather, everyone, regardless of hierarchy, has a key part to play in both ensuring compliance is maintained and flagging when a risk may occur which requires review.

With broader data protection responsibilities, many new systems are being designed and built. However, having all team members fully briefed on risk, fraud, money laundering and other aspects of assurance, creates much greater strength in compliance than having that responsibility rest on only a few shoulders.

Maintaining a focus each year on continuous training and updates for the team is an especially important part of development and assurance. With legislative changes, as well as broader fiscal reviews, having the whole team trained and reviewing the impact of changes creates a solid barrier to protect the business.

I hope you enjoy all the articles within this edition, and, as always, do feel free to make contact if you have any enquiries or considerations you would like me to address.

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

CEO's message

It has been noticeable that payroll professionals have been working incessantly (as they always do), but all the more so during the extraordinary time since the lockdown in March.

Payroll departments of many sizes have decamped from an office environment, equipped with technology, and worked from home. This, too, has brought many challenges, let alone the administration of the CJRS.

How and where we work going forward will be an interesting workplace discussion, but a point I have picked up in many conversations within payroll leadership teams has been the impact of mental health. Whilst mental health awareness has, quite correctly, had the focus it deserves, working from home by employees, some in isolation, is a factor that must be considered in future working. At the office, integration, creativity, discussions – and those conversations over the water cooler or in the kitchen – are all equally important to mental health, and a balance needs to be struck.

It is encouraging that even during this pandemic that employers are actively ensuring their payroll and pensions staff are suitably skilled and educated and the CIPP are pleased to play a leading part.

Behind the scenes, the CIPP continues to ensure all our content and material is accurate, timely and up to date. As is evidenced in the growth and take up of two of our key educational offerings, namely the Payroll Technician Certificate and the Certificate in Pensions Administration.

The Payroll Technician Certificate shows growth year on year, and it is evident its content is crucial and timely for those entering the profession, needing a refresher or returning into the payroll industry. As an online qualification it is particularly relevant for the times in which we live.

This equally applies to our online Certificate in Pensions Administration as it becomes more apparent that increasingly payroll professionals play a key part in the administrative area of pensions.

This time of year sees the career roadmap developing as it's also the time for enrolment on to our Foundation Degree (either the payroll or pensions offering). Make sure you enrol, and the benefits to both your career and your employer will be considerable.

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

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in Payroll, Pensions & Reward

Also available online at
payrollpensionsandreward.org.uk

Contents . September 2020

THIS ISSUE'S FEATURE TOPIC IS **COMPLIANCE SUCCESS**

Features

Regulars

Additional online content

Full issue including additional online content available at **payrollpensionsandreward.org.uk**

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.

Events Horizon

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

CIPP and ATT hot topic event

50% off for all members

19 November | Online

To view the programme and book your place please visit **cipp.org.uk/events** or email us at events@cipp.org.uk.

Join the CIPP and the Association of Accounting Technicians (AAT) at this half-day virtual workshop and learn more about the forthcoming changes in legislation affecting payroll, whether in practice or business.
The online workshop also provides an excellent opportunity for members to achieve their CPD and discuss their CPD objectives and requirements with a member of the CIPP team.

National Payroll Week Conference and Exhibition

cipp NPW 2020 CONFERENCE
10 SEPTEMBER | SCOTLAND

10 September 2020 | Online

This invaluable conference is your opportunity to learn about the latest legislative changes, network with colleagues and exhibitors, and is the perfect chance to ask the CIPP policy and research team any burning questions that you may have relating to payroll. We have created a fantastic and engaging programme, ensuring that we deliver a truly virtual conference.

To view the programme and book your place, please visit **www.cipp.org.uk/events** or email us at **events@cipp.org.uk.**

Training courses

All courses will be delivered in a virtual classroom environment using Adobe Connect. Contact us for more information or visit **www.cipp.org.uk/training** to see all available courses.

Course	Date*	Location
Payroll update **(50% off for members)**	TBC	*Virtual classroom - The course will be delivered over two half day sessions*
NEW COURSE – Calculating income tax	15-16 October	*Online – (Access is granted within two working day of payment)*
	28-29 October	
	16-17 November	
NEW COURSE – Calculating National Insurance contributions	15-16 October	
	28-29 October	
	16-17 November	
NEW COURSE – Paying Statutory Maternity Pay	15-16 October	
	28-29 October	
	16-17 November	
NEW COURSE – Paying Statutory Sick Pay	15-16 October	
	28-29 October	
	16-17 November	
Holiday pay and leave	13 October	*Virtual classroom*
Termination payments	23 October	*Virtual classroom*

*Please note, dates are subject to change. There are other training courses and dates available. Please visit **www.cipp.org.uk/payroll-training-listing**.*

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

Let us know by visiting cipp.org.uk/trainingreg.

New dates and subjects may be added if there is enough interest.

CIPP celebrates 40 years

AS THE world continues to be in varying stages of lockdown, and technology has been embraced more than ever before through the use of cloud storage and file sharing solutions and online networking tools such as MS Teams and Zoom (other platforms are available), it seems only fitting that during her researches into our history, Vickie Graham, CIPP's business development director, came across information regarding the launch of our online qualifications.

Vickie observes that "Now an integral part of a payroll professional's career, the CIPP's Payroll Technician Certificate was launched in 2011 – just nine years ago! This was the CIPP's first online educational offering, and now attracts circa 700 students per year.

"Since the launch of the Payroll Technician Certificate, it seems that much has changed with regards to online learning in terms of the technology and delivery. The CIPP invested in recruiting learning technologists who have been fundamental in the development of the creation of online learning elements within the Foundation Degree programme, much of which is now delivered and hosted via Moodle [an open-source learning platform].

"This year has seen the launch of four online, on-demand learning modules aimed at payroll practitioners who are new to the role and need a quick training session on the very basics of payroll. It has also led to the launch of virtual classrooms as a delivery mechanism. Whilst initially moving face-to-face content online, our training courses have now been adapted and developed for an engaging and interactive online learning experience."

The CIPP events are coming to you

THE CHARTERED Institute has recently announced transformation of our events to 100% digital this year and are excited to announce our revised programmes and content to our sponsors and delegates.

We have been monitoring government advice related to the events industry, and given the scale of our events programme in the autumn we have made the decision to change our events from face-to-face to online for 2020. This includes the:

- National Payroll Week drinks reception (https://bit.ly/31nAkDi)
- National Payroll Week Conference and Exhibition (https://bit.ly/31nAkDi)
- Annual Conference and Exhibition (https://bit.ly/31nAkDi)
- Annual Excellence Awards (https://bit.ly/3kbLK5A)

Our 40th anniversary celebration event and Graduation Ceremony are being postponed and will run face-to-face during 2021.

The National Payroll Week conference will take place online, on Thursday 10 September and is the perfect opportunity to take part in a truly virtual conference experience and a chance to network with others in your industry. The conference consists of motivational sessions, panel discussions and those all-important legislation updates. The event is open to both members and non-members of the CIPP. We hope to see you there and look forward to celebrating one of the most important weeks in the payroll industry.

Our Annual Conference and Exhibition is the UK's largest independent payroll conference and exhibition. We have created an amazing and engaging programme, filled with insightful speakers, as well as various networking opportunities and an online, immersive exhibition. At the end of the conference and exhibition, we will continue to host the Annual Excellence Awards, which this year, is free to attend. We look forward to seeing you there and helping us to celebrate those who have achieved excellence in the field within the last twelve months.

Vickie Graham, CIPP's business development director, said: "We have not made this decision lightly and have made some fundamental changes to these events, so we ensure we are delivering high quality, engaging, interactive and truly valuable online events, as opposed to just moving the face to face programmes online.

"All our programmes can be viewed online and include legislative updates, motivational sessions, live roundtables and Q&A sessions as well as plenty of opportunities for networking and the ability to set up and take part in 1-2-1 meetings with other delegates and attendees."

If you have already booked to attend an event and have paid for your place, we will transfer your payment to the relevant 2021 event, whilst offering you the opportunity to attend the pre-booked 2020 online event free of charge.

If you have not yet booked to attend one of these fantastic events, you can do so now at a reduced rate. Details can be found within our website events area (www.cipp.org.uk/events.html), including programmes, FAQs and pricing for each event.

We would like to thank our sponsors and delegates for their support and look forward to welcoming you all to our online events this autumn.

Congratulations to the newly accredited PAS organisation

THE CIPP Payroll Assurance Scheme (PAS) is designed to test your payroll processes in relation to payroll processing, compliance and the people skills and development opportunities. One of the most important elements is ensuring business continuity plans are in place and effective should they be required. Special congratulations to our most recently accredited organisation:

- North Yorkshire County Council

Ken Pullar, CIPP chief executive officer, said: "Never has it been more important for businesses to have good payroll processes, knowledge and skills that enable them to implement new government legislation and guidance quickly. Congratulations to those organisations that have recently demonstrated just that."

The Payroll Assurance Scheme is operating, with assessments currently taking place virtually. To find out how it can benefit your organisation, email **compliance@cipp.org.uk.**

ANNUAL CONFERENCE AND EXHIBITION 2020

ACE20
CIPP'S ANNUAL CONFERENCE AND EXHIBITION

14-15 October 2020

COLLABORATE / EDUCATE / CELEBRATE

Our Annual Conference and Exhibition 2020 is taking place on **14–15 October** and this time we are coming to you.

We have made the decision to transform our Annual Conference and Exhibition from physical to 100% digital this year and we're excited to announce our revised programmes and content.

This decision has not been made lightly, and we have made some fundamental changes to the conference so that we still deliver high quality, engaging and valuable sessions. If you have already booked to attend these events, we have contacted you directly to inform you of what this means for you.

HAVE YOU BOOKED YOUR PLACE YET?

In light of this month's theme 'Compliance success', we would like to highlight just a few of the reasons why attending the CIPP's Annual Conference and Exhibition is the perfect opportunity for you and your staff to get some insightful training and education on current and upcoming legislation changes.

Managing change in turbulent times

Danny Rice, manager UK payroll product management, Workday

This session is an overview of some of the latest trends impacting payroll from supporting front line workers, through to technology changes and how these can be harnessed to drive your payroll forward.

Managing change in turbulent times

Dr Phil McCrea Mb Bch BAO MD MRCP (UK) FRCP (Glasg) MFOM MFOM (RCPI), chief medical officer, BHSF

This session will include:

- Recognising mental health issues
- Stress
- Supporting mental health in the workplace

WHY SHOULD YOU ATTEND?

- Educate yourself about the forthcoming changes to payroll and pensions legislation, ensuring you remain compliant in your role
- Collaborate with like-minded individuals, hear from and ask questions of industry experts from a range of different backgrounds
- Speak to various organisations and exhibitors about how they can add value to your team or company through their unique services offered.

Book your place online at **cipp.org.uk/ace** or email **events@cipp.org.uk**

Thank you to our Annual Conference and Exhibition and Annual Excellence Awards sponsors

HEADLINE SPONSOR

workday

ADP Always Designing for People™ · BDO · CERIDIAN · cintra THE FRIENDLY FACE OF HR & PAYROLL · cloudpay rethink global payroll · THE CANADIAN PAYROLL ASSOCIATION CPA ACP L'ASSOCIATION CANADIENNE DE LA PAIE · corehr an access company · Frontier software Human Capital Management & Payroll Software/Services · intelligo SOFTWARE LTD · i-Realise BENEFITS DELIVERED · nest · onesource VIRTUAL · PORTFOLIO PAYROLL LTD · selenity expenses · The Payroll Centre INFORM • EDUCATE • SUPPORT · WU BUSINESS SOLUTIONS

KEYNOTE SESSION SPONSOR

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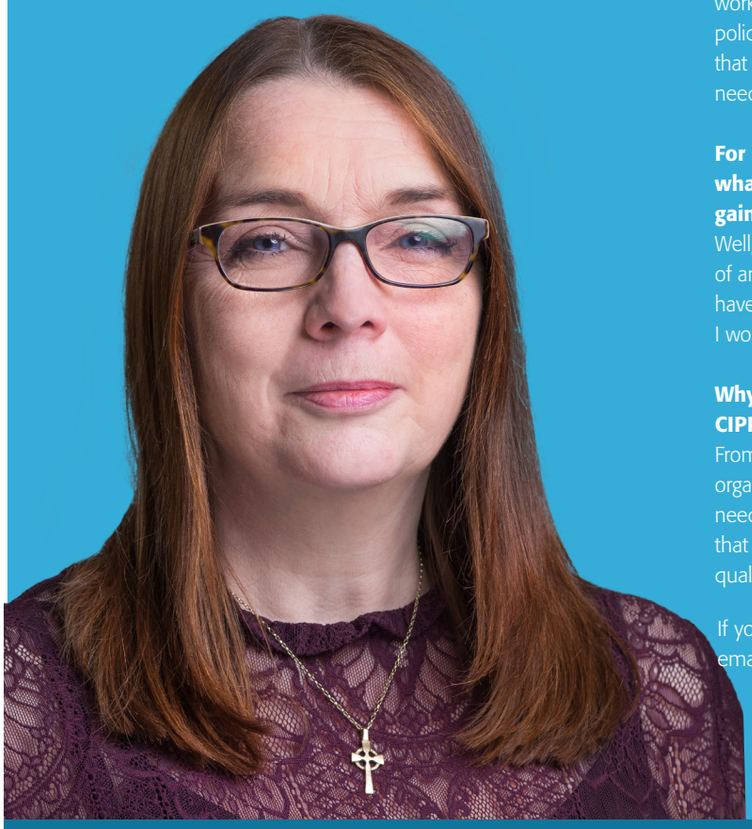
Being payroll

Alison Ford MA (Hons) MCIPPdip MBCS, senior principal product manager, Oracle Corporation UK Ltd, discusses the benefits of being part of the CIPP

What first attracted you to membership of the CIPP?
I've been a member since 2000. What first attracted me was when I was looking to get my professional qualification and having looked around the CIPP it appeared to offer a good option for the Diploma in Payroll Management. I could see it was an organisation that would support me through this qualification.

Which benefits of CIPP membership appeal to you the most?
I think there are a number of benefits and one of the main things I use is the Advisory Service which I find invaluable in terms of getting either input or a second opinion on something I am looking at. It's so easy to get hold of them and get that advice.

Also, I think it's important to have the membership designation after your name just to make a statement that you are a payroll professional. As people become more aware of the CIPP and just how big an organisation it is and exactly how much it does, then I like to show my membership of that.



How has the CIPP helped you in your career?
It's given me the ability to develop my payroll knowledge by working through the payroll Diploma, giving me the support to carry on increasing my confidence and the professional recognition that I can prove to my customers that I have the knowledge.

Tell me about a time where you have really benefited from your CIPP membership
There have been times where, for example, I have been working on a new legislation development and sometimes it's not easy to work out exactly what's needed. The fact that the CIPP do all of their policy think tanks and give input to government consultations, I find that really helpful in giving me the knowledge to get to the point I need to be at.

For someone who is thinking about joining as a member, what would your advice be to them and what they would gain?
Well, I would say don't hesitate. It is definitely really useful to be part of an organisation that gives you the support of many members. You have access to the services and huge amounts of important training. I would strongly recommend it.

Why is it important to you that you are a member of the CIPP?
From my own personal view, I like the feeling of belonging to an organisation and having the backup of people I can turn to if I ever need input on a problem. And again, I can demonstrate to others that I have that payroll knowledge, that is backed up with the qualification and the membership. ■

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

BE COMPLIANT. BE PASSIONATE. BE VERSATILE. BE PROFESSIONAL. **BE PAYROLL**

CIPP National Forums 2020

Due to the pandemic and lockdown, this year's series of National Forum meetings were delivered online via Adobe Connect

Dates and sponsors

The National Forum meetings were delivered, as follows:

5 May – sponsor: Cintra HR & Payroll Services

13 May – sponsor: PayDashboard

19 May – sponsor: shared services forum uk

11 June

26 June – sponsor: ADP

The speakers

Nick Day, founder, JGA Recruitment Group

Paul Gibbons MCIPPdip, chief operating officer, PayDashboard

Mared Griffiths, associate, Eversheds Sutherland

Stuart Hall MCIPPdip MA PGMdip, non-executive director, CIPP

Sally Isaacs, legal director, Eversheds Sutherland

Lizabeth Lay MSc FCIPPdip FHEA ACIPD, non-executive director, CIPP

Jade Linton, HR business partner/associate director – employment, Thursfield Legal Limited

Samantha Mann MAAT MCIPPdip, policy and research technical lead, CIPP

Gemma Mullis ACIPP, policy and research officer, CIPP

Lora Murphy ACIPP, policy and research officer, CIPP

Jeff Phipps, managing director UK & Ireland, ADP

Kirsty Rogers, partner – employment, DWF

Katie Sharpe MCIPPdip, non-executive director, CIPP

Carsten Staehr FCIPP, chief executive officer, Cintra HR & Payroll Services

Jill Smith MCIPPdip, policy operations manager

Cliff Vidgeon BA (Hons) CMA ACIS FCIPP, non-executive director, CIPP

Clare Warrington MSc FCIPPdip AFHEA, non-executive director, CIPP

Introduction session

Stuart Hall, Lizabeth Lay, Katie Sharpe, Cliff Vidgeon and Clare Warrington shared the role of opening and leading the Forum meetings and introducing the speakers and fielding attendees' questions.

Their introduction session included an update on a range of issues, covering:

- information about the CIPP, including an update about online resources. The CIPP's coronavirus hub includes all relevant news items, links to guidance, FAQs and policy webcasts to keep members up to date
- reminder and request to members to update their address and preferences for receipt of *Professional* magazine
- notice that training courses have moved to virtual classroom delivery
- announcement of launch of the new BA programme – delivered online in conjunction with Lincoln University – which is available as a top-up qualification to those who have completed the Foundation Degree, or previously the Diploma, qualifications.

Legislative update

Samantha Mann, Gemma Mullis, Lora Murphy and Jill Smith delivered these sessions.

The first of the two sessions focused exclusively on the pandemic's impact, covering statutory sick pay (SSP) changes, and the introduction and evolution of the coronavirus job retention scheme, the self-employment income support scheme, and the effects on a wide range of other policies.

The policies affected include: postponement of the off-payroll working reforms until 6 April 2021, suspension of gender pay gap reporting in 2019, easing of right to work checks, relaxation of annual leave rules, time to pay arrangements; plus much more.

The second session covered 'business-as-usual' issues, such as real-time class 1A National Insurance contributions, changes to the employment allowance, extension of rules for written statement of employment particulars, modifications to the rights of agency workers (e.g. entitlement to a key information document), creation of single enforcement body, student loans administration and reconciliation procedures, introduction of entitlement to statutory parental bereavement leave and pay, proposed reforms to SSP, national minimum wage amendments (e.g. calculation year), ongoing consultations (e.g. carer's leave).

Numerous attendees' questions were responded to.

Key payroll thought leadership

Carsten Staehr delivered this session, which covered several issues comprising: how technology will change the payroll function, increased compliance requirements, lessons learned from the pandemic, and what the next generation of payroll professionals will look like.

Cloud computing will become the norm, there will be increased integration along with instant payment revolution, more robotics and AI, voice recognition, growing use of chatbots, and recognition of the strategic importance of payroll data.

Key attributes for the future payroll professional include: the ability to think strategically, a love for new technology, very agile attitude, top communicators, and legislation knowledge.

In summary, the future is bright; payroll will become more influential than ever; and will move away from data processing to being a strategic function.

Coronavirus and payroll – past, present and future

Wondering how payroll would have coped if the pandemic had happened in 2000, Paul Gibbons commented that then payroll teams were office-based, there was no remote working, over 90% of payslips were printed, webpage updates were outsourced and slow, and there was no social media! Ten years later, there was still no social media on the scene, but smartphones were emerging, there was some usage of laptops, 60% of payslips were printed, and home internet access was not guaranteed.

Fast forwarding to 2020, Paul observed that for many the March payroll could not have been completed had there not already been a digital transformation in the business. Payroll can work from home if enabled by technology, but we cannot be complacent.

We need to adapt our business continuity plans, address legacy systems, reduce queries from employees/ clients, and plan ahead to minimise future workload. Looking beyond 2020, momentum towards digital is clear, there will be more prevalent use of cloud-based solutions, and payroll must be better recognised and better remunerated.

The future of payroll

In this session, Nick Day discussed how the payroll industry is changing: and the effect on skills and opportunities. Automation and technology will not replace the payroll professional, but tasks within the traditional role will be. History tells us that technology creates more jobs than it replaces.

Looking to future skills requirements, a reduction in administrative payroll professionals recruited will be offset by an increase in payroll analyst data experts specialising in analysing robotic process automation efficiency and accuracy. A reduction in hard skills training as robots take over complex calculations will be offset by an increase in soft skills training as payroll leaders develop employee experience and leadership skills to manage the requirements of a modern workforce. Payroll management skills in data analytics, digital transformation, global payments, reporting and data strategy will need to evolve.

Use the power of payroll to shape your organisation's success

Drawing on the findings from recent research of 32,442 workers around the world, conducted by ADP prior to the pandemic, Jeff Phipps covered career opportunities, flexible working, and money matters.

The survey found that 95% of workers felt confident they could acquire the skills needed to succeed in the modern workplace, but trends like digitisation and automation led 33% to predict that their current role will not exist in five years' time. With increasing skills shortages, HR teams have an opportunity to tap into the goodwill and ambition that exists within the workforce to ensure they're prepared for the future.

On flexible working, only one in five European employees say their organisation has a formal or written flexible working policy, and even fewer (22%) say they feel empowered to take advantage of such arrangements within their company. However, 60% of workers are looking for changes to their work schedule.

As regards money matters, globally, just 40% of employees say they receive their salary on time, and one in four wouldn't notice incorrect pay. In the UK, 52% want to be paid monthly, 27% say weekly, 6% fortnightly, and 9% twice-monthly.

To keep ahead of the curve, employers should change the way they work, empower talent, keep up with digital transformation, and unify HR, talent and payroll systems.

Holiday pay

In this session, Mared Griffiths, Sally Isaacs, Kirsty Rogers and Jade Linton covered amongst other things the following aspects and issues:

- the latest position on what holiday pay should include
- holiday pay reform
- furlough and holiday – how does it work in practice?
- brexit and the implications for the Working Time Regulations 1998. ■

"The national forum events are always a good way of keeping up to date with recent and forthcoming changes … a half day well spent."
Lesley Daniel, payroll manager, Applus UK Ltd

"Great technical knowledge that it would have taken hours to extract from the various original sources"
Kathy Bryce, BeGreener

"This was the first time I had attended the national forum…I found it to be excellent"
Gail Russell, payroll manager, Fosters Funeral Directors

"… the information from the different sources provided additional material which will assist with the day to day payroll activities…"
Sharron Johnson, payroll manager, ISS Technical Services

"I have gained confidence that what I have done in certain circumstances is correct. That I have a good source of information for the future months ahead."
Ruth Evans, payroll bureau manager, Old Mill LLP

The CIPP expresses thanks to the sponsors and hosts

On your behalf

Policy team update

The CIPP's policy and research team provides an update on developments

The policy and research team has been even busier than usual over the past few months, keeping members up to date with the latest developments in government measures, particularly those associated with the coronavirus outbreak.

It has been crucial for both the team and for payroll professionals to remember that despite the pandemic business-as-usual items still needed to be dealt with and addressed. Payrolls still had (and have) to be processed, and the correct treatment of elements of pay observed to ensure that the UK was (and is) paid both on time and accurately.

This month's activities have included those focusing on coronavirus, but a substantial amount of work has also been carried out that falls completely outside of this sphere, sitting more within the category of normal topics that payroll professionals are accustomed to.

Draft new starter checklist

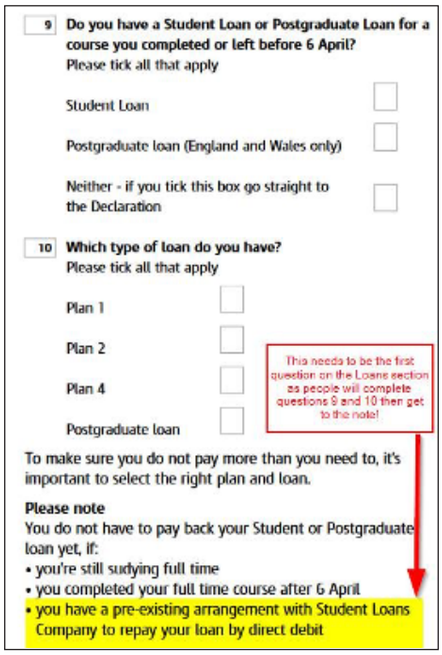
The CIPP regularly attends meetings of the Collection of Student Loans Consultation Group. We were recently asked by this group to share a draft new starter checklist to our members, in order to collect feedback on it. The draft form incorporates the option of a Scottish student loan plan type 4, which is being introduced from April 2021.

Guidance associated with utilising new starter checklists will be updated by HM Revenue & Customs (HMRC) in due course to support employers when adding new employees to payroll systems. It is HMRC's intention to provide the latest version of the new starter checklist to software developers in the autumn of 2020, before publishing on Gov.UK in February or March 2021, ready for use in April 2021.

The CIPP published a couple of *News Online* articles to invite readers to provide their opinions on the draft new starter checklist. The majority of comments were positive but there was a common theme in respondents pointing out that the question that asks if an employee has a prior direct debit in place for their student loan could potentially cause confusion for anyone completing the form.

The 'Please note' text would be better positioned at the top of the second page before question nine as this would prompt individuals completing the form to read it first. So, if not relevant/appropriate, they could head straight to the declaration and not be in the position of completing what they think is relevant to them but then realising on reading the notes at the bottom of the page that they did not need to complete this information in the first place. (See image.)

All comments and feedback received were passed on to the group, so thank you to anyone who sent their comments to the policy team.



9 **Do you have a Student Loan or Postgraduate Loan for a course you completed or left before 6 April?**
Please tick all that apply

- Student Loan ☐
- Postgraduate loan (England and Wales only) ☐
- Neither - if you tick this box go straight to the Declaration ☐

10 **Which type of loan do you have?**
Please tick all that apply

- Plan 1 ☐
- Plan 2 ☐
- Plan 4 ☐
- Postgraduate loan ☐

This needs to be the first question on the Loans section as people will complete questions 9 and 10 then get to this note!

To make sure you do not pay more than you need to, it's important to select the right plan and loan.

Please note
You do not have to pay back your Student or Postgraduate loan yet, if:

- you're still studying full time
- you completed your full time course after 6 April
- you have a pre-existing arrangement with Student Loans Company to repay your loan by direct debit

...option of a Scottish student loan plan type 4, which is being introduced from April 2021.

Expat tax and NICs forum

The CIPP sits on the Expat tax and NICs forum, which held a meeting on 11 June 2020 that was attended on our behalf by CIPP member Carol Mason. The

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

discussions centred on a variety of subjects, with the extension to various deadlines due to coronavirus being one of them.

The deadline for Appendix 4 reports was extended to 31 July 2020; and due to posting issues the option to email Appendix 4 reports and Appendix 7A and 7B returns was made available.

The deadline for Appendix 8 applications was also extended. If deadlines were missed, the advice was to refer to the reasonable excuse guidelines for missing some tax obligations.

HMRC confirmed that where an employee is subject to social security in two locations, regulations regarding apportionment of income should eliminate double withholding in most scenarios. However, to avoid double withholding entirely, all countries' agreements would need to be the same, which currently isn't the case.

> ...alarming that only 34% of businesses are completely prepared for the upcoming changes...

There have been many queries submitted to HMRC about the statutory residence test, and all of them have been escalated to the technical team. Work has been carried out on a frequently-asked-questions document to help with the most common queries, but the message is still to continue to flag any additional issues directly with the expat team at HMRC.

There has also been much discussion around the 'S690' and 'S41ZA', with HMRC dedicated to providing guidance on both. Sections 81555/81545 of the *PAYE Manual* have already been updated in relation to S690 and coronavirus. HMRC understands that the expat population is not always fully considered in relation to new schemes, and this is also true of the coronavirus job retention scheme (CJRS).

Off-payroll working reforms

In recognition of the fact that, on 1 July 2020, the off-payroll working clause and schedule within the Finance Bill passed successfully through the Report Stage in the House of Commons, so the Bill has received Royal Assent, the policy and research team hosted a question on the CIPP's *News Online* page. The question asked members how prepared they are for the reforms to be implemented from 6 April 2021. The answers were as follows:

- Ready for the off-payroll working reforms: 34%
- Not ready for the off-payroll working reforms: 17%
- Starting to prepare for the off-payroll working reforms: 17%
- Due to the outbreak of coronavirus, there will be no requirement to use off-payroll workers: 12%
- Hoping that the reforms will be delayed again: 10%
- Responding from the public sector, where the reforms have already been implemented: 10%.

It seems alarming that only 34% of businesses are completely prepared for the upcoming changes, and that there are still individuals who are hoping that they will be delayed once again. It would be plausible to assume that many businesses were already ready for the reforms, due to the fact that it was only announced in March 2020 that they would be postponed due to the effects of coronavirus.

Carer's leave consultation

The Department for Business, Energy and Industrial Strategy (BEIS) ran a consultation on the proposal to provide employees with a new entitlement to a week's worth of unpaid leave in which to perform caring duties. The CIPP responded to the consultation, after hosting a survey which asked members for their views on the potential new right.

The questions probed various issues, such as: which individuals employees should be able to take leave for, whether or not employees could self-certificate, and if there should be a qualifying period of employment which should be observed prior to the entitlement being granted. The full consultation response is available on the CIPP's website. ■

If you have views or experiences on any aspect of the off-payroll working reforms, including your experience of using CEST, please contact Samantha Mann, policy and research technical lead to policy@cipp.org.uk.

Advisory

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

Q: Can employers claim for notice pay through the coronavirus job retention scheme (CJRS)?
A: Termination payments such as pay in lieu of notice, outstanding holiday or redundancy must be funded by the employer and cannot be claimed for through the CJRS.

Q: An employee who is being furloughed has a student loan deduction. Can such deductions be taken from furlough pay?
A: The employer would still calculate and make student loan deductions as normal from furlough pay.

Q: Have the rules changed on cycle to work schemes where an employee can salary sacrifice even if this takes their earnings below the national minimum/living wage (NMW/NLW)?
A: The stance on salary sacrifice and NMW/NLW has not changed; therefore, you should continue to ensure the employee's rate does not fall below the NMW/NLW.

In February 2020, HM Revenue & Customs (HMRC) made slight amendments to their enforcement policy. The impact of these mean that if an employee had previously been paid below the NMW/NLW due to a salary sacrifice deduction, there would potentially be no fine issued or the employer publicly named and shamed, but only if the employer had rectified the error. The following extract can be found via this link: https://bit.ly/2Ep17Y3.

"3.7.7 A direction has been issued relating to cases where NMW underpayments have arisen as a consequence of certain employer deductions from pay. This direction addresses some specific instances where the design of a salary sacrifice or deduction scheme is associated with NMW underpayments, despite delivering benefits to participating workers, and the worker in practical terms suffers little or no detriment.

"3.7.8 The intention of the direction is to ensure that historical liabilities are repaid to workers, whilst providing employers with an opportunity to ensure their practices going forward are compliant with the law. The circumstances in which the direction will apply are tightly limited to ensure the continued protection of workers. The full text of this direction is set out in the annex. In summary, the direction has broadly the following effect. If, following an HMRC investigation, the only reason minimum wage was underpaid was because the employer made a deduction from a worker's pay/enrolled them in a salary sacrifice scheme, with the worker's consent, and the worker has received the correct good/benefit as a result of that deduction (e.g. childcare vouchers, savings club, season ticket etc), the employer will not face a penalty (or be named). This direction does not apply to deductions for items: in connection with employment (e.g. uniform), expenses or accommodation. Employers that have been convicted of NMW offences, been party to a labour market enforcement undertaking or order, or who have been issued a notice of underpayment in the past six years (unless for not more than £500, withdrawn or under appeal) will not benefit from this direction."

Q: A director who is on a separate payroll and pay as you earn (PAYE) scheme lives abroad and is not subject to class 1 National Insurance contributions (NICs). Will his earnings be used in the apprenticeship levy calculation?
A: Because the earnings are not subject to class 1 NICs, they do not count towards the pay bill for the apprenticeship levy. Section 100 of the Finance Act 2016 prescribes what will count toward the pay bill. So, the earnings of employees below age sixteen years, or employees not subject to UK NICs, payments such as benefits which are subject to class 1A NICs and employees working abroad whose earnings are not subject to UK secondary class 1 NICs do not count towards the pay bill.

Q: If an employee has broadband at home and is required to work from home due to coronavirus would a payment made to them towards the cost of the provision of broadband be exempt from pay as you (PAYE) income tax and NICs?
A: Where an employer reimburses an employee for their existing broadband provision the amount should be subject to PAYE and NICs via the payroll. Where there was no broadband in place and the employer paid for this it would be exempt, but this could only be used for business and minimal private use.

Q: We have a PAYE settlement agreement (PSA) and we have not received a payslip confirming the amount we owe to HMRC for the 2019/20 tax year. How do we make the payment without it?
A: You should still pay any tax and class 1B NICs which are due under the PSA by 22 October 2020 (or 19 October 2020 if paying by post) even if you have not received confirmation of your calculation or a payslip.

When making payment quote your unique PSA customer account reference number, which is shown in the PSA confirmation letter. Do not use your PAYE Accounts Office reference to make payment, as all payments to this reference are allocated to the normal PAYE account, which will mean you continue to receive reminders for the PSA even though you have paid.

If you do not have your PSA reference

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

number or are unsure about the action to take, contact HMRC's PSA team on 0300 322 7077.

An employer missing timely payment may be subject to penalties.

Q: An employee has asked if he can give up his bonus payment in exchange for a pension contribution. Are we allowed to do this as we want to ensure we remain compliant?

A: Yes, an employee could sacrifice a bonus payment in exchange for a pension contribution by the employer. Section 307 of the Income Tax (Earnings and Pensions) Act 2003 provides that such a death or retirement benefit provision does not give rise to liability to income tax (https://bit.ly/32WLm4F).

Although the pension contribution would not give rise to income tax it is advisable to ensure that the contribution does not take the employee over the annual pension allowance of £40,000 as a higher tax charge may arise on the excess.

Q: A director left employment on 31 August 2019. It was discovered he had been underpaid and the underpayment was processed in September 2019. However, payroll calculated the class 1 NICs via the alternative method not on the annual earnings period as the payroll team insisted that the directorship had ended the payment after leaving should not be treated as earnings for a director. How should the class 1 NICs have been calculated?

A: Regulation 8(3) of the Social Security (Contributory) Regulations 2001 says that a person who is a director at the start of a tax year has an annual earnings period for class 1 NICs purpose for the whole tax year even if the directorship ends during the tax year. This would also apply to any earnings received in a tax year after the directorship has ended.

As the director was in post at the start of the tax year, the earnings received in the tax year, including any payment after leaving, would be subject to class 1 NICs calculated using the annual earnings period.

However, if a director is appointed after the start of a tax year, the annual earnings period would still apply but would have to be apportioned by the actual number of weeks left in the tax year from and including the week of appointment.

Q: Please can you advise on the correct way in which the average weekly earnings (AWE) for statutory maternity pay should be calculated for an employee who was or had been furloughed?

A: Where the normal AWE calculation is detrimentally affected because of the employee being furloughed, the AWE should be based on the income the person would have earned had they not been furloughed.

Please refer to guidance found here: https://bit.ly/3jJBQIc.

Q: Can the employer can claim anything back from HMRC, when paying the £6 a week allowance to employees who are for working from home due to COVID-19?

A: The home working allowance is the amount specified in income tax law which employers can pay to their employees in certain circumstances without giving rise to an income tax or NICs liability. There is no provision for employers to get anything back from HMRC.

Please see https://bit.ly/2D6AhDs for guidance.

Q: We have a new employee who prefers to go by a name different to that on their passport. Can we record their preferred name in our payroll, or do we have to use the 'official' name in their passport?

A: HMRC will require the official full name to be reported in the full payment submission (FPS), enabling checks to be made to ensure that National Insurance numbers match with full names, dates of birth and addresses. However, most payroll software has additional data item fields for 'known as' names which employers may utilise in circumstances such as this. The 'known as' field is not reported to HMRC in the FPS.

Q: We provide a company motorbike to an employee. Is this reported in the same way company cars are?

A: No, it is not reported the same way as company cars, because a motorbike is classified under section 185(1) of the Road Traffic Act 1988 as a mechanically propelled vehicle with less than four wheels. However, it will be treated as an asset owned by the company provided to the employee instead. ■

Tributes to

Lawrence Warrell

11 February 1933 - 18 July 2020

It is with much sadness the Chartered Institute learned of the death of this highly respected member who had played a key formative role in the development of our educational material and in the establishment of quality marking and assessment controls. Friends and colleagues recall fond memories and his defining qualities.

Lawrence Warrell
(The funeral took place on 5 August at Blacon Crematorium, Chester)

Lawrence began his career in pensions in the 1950s with Oxfordshire County Council, where he started as a trainee. He eventually became the payroll and pensions manager, covering a payroll of 25,000 plus employees and pensioners.

In 1974, Lawrence moved to Cheshire where he became assistant county treasurer (payroll and pensions) with a payroll in excess of 60,000. He also took on the role of payroll examiner for the Association of Payroll and Superannuation Administrators (APSA), for the nationally recognised APSA qualification. It was during this time that Lawrence and Peter Blackhurst, previous APSA and BPMA director and chairperson, became good friends.

Lawrence was employed by Trevor Lakin of the British Payroll Managers Association (BPMA), to become the principal author of the then BPMA Diploma course in payroll, part one, moving on to provide a supporting role in the content creation of part two of the Diploma. The Diploma has continued to grow in size and strength and is now known as the CIPP's hugely successful Foundation Degree in Payroll Management.

Lawrence also became a course tutor and member of the BPMA and a Fellow member of APSA, both of which ultimately became the Chartered Institute of Payroll Professionals, of which he was also a Fellow member until his passing.

In 2004, Lawrence was the first-ever recipient of the CIPP's Special Recognition Award.

Lawrence was a gentleman and a consummate professional, both in his local government career and in his second career as a payroll educator. When speaking to people since we received the sad news, the first reference everyone has made is that he was either "a lovely person" or "a perfect gentleman", which is exactly the effect he had on everyone he met. If you let the Institute down you got the 'Lawrence look', but he was forgiving when people 'reformed' and produced their work to his standards.

Although we have worked with many people over the decades, few have become as close as Lawrence. Introduced to the then British Payroll Managers Association (BPMA) by Peter Blackhurst, Lawrence was commissioned by Trevor to write the bulk of the payroll content of the original Diploma – with a fountain pen as Lawrence had more than a smidgeon of Luddite in his body when it came to computers. His work was timely, well-written and rarely subject to correction.

The problem with payroll study material is that it becomes outdated almost as soon as it is written, and it was the necessity to keep it up to date with Budget and legislative changes where Lawrence shone again. He used a highlighter pen to mark the parts of the study units which would be outdated and during April we would spend two days together commissioning the updates of the units and allocating tutors contracts for the coming academic year.

Lawrence had his finger on the pulse as to which tutors had excelled the previous year and should therefore be (re)contracted. This was not a feeling he had about them, but was based on mathematical systems of comparisons of marking and deviance from the norms which he had developed for the purpose.

It was Lawrence's mathematical and systems input that took the qualification to the next level, because a by-product of his input which caught BTEC's attention was the method of quality control he developed. As the

...comparisons of marking and deviance from the norms which he had developed...

authenticating body BTEC inspected us annually, checking samples of student submissions and tutors' marking which had undergone scrutiny through the moderation process designed by Lawrence and undertaken by him and Chris Williams. At our annual graduation ceremony BTEC enjoyed taking part in the speeches and presentations and made reference to their unprecedented award of full marks for each of five aspects of quality control of the marking process. This had never been achieved by any other of their thousands of education centres. Lawrence achieved this within a short timespan; not through a deep understanding of the education process but by applying his original accuracy tests and systems to ensure fairness.

He attended some of the annual weekend schools where he delighted the students with his stories and wit, often sitting up with them until the early hours. He was ever popular and kept his eyes on the quality of the lecturers.

Lawrence disliked hotels, preferring to stay at various times with Trevor in Bourne and Lin Helle (office manager) in Coventry. He was not only tough with his quality control but he was a tough guy too, enjoying walking in Snowdonia until his eighties and, on one occasion, surviving a gambol down Lin's stairs, having taken a wrong turn during the night. He refused to go to hospital until Gordon insisted and he returned with his 'I told you so' look as they could find no damage at all.

Lawrence, old friend, you will be missed by many, and the current generation of payrollers have to be grateful for the foundation you help us build with your uncompromising attitude to quality and standards. You were, and remain, an inspiration.

Gordon Cresswell, and Trevor Lakin

Without people like Lawrence we would not be where we are today.

I want to pass on my personal thoughts of this great man who was so crucial to the early years of the BPMA.

Lawrence worked with one of our founders, Peter Blackhurst, at Cheshire county council and was recruited by Trevor Lakin, another founder, to write our very first version of the Diploma. It was vital for the Diploma to be available at the earliest possibility as this was the basis for our members to become qualified for the first time in their career.

Later, the qualification helped to prove our status as an educational association and therefore for us to attain Institute status and to put payroll really on the map.

Lawrence wrote efficiently and with good speed, all in long-hand, although reading his handwriting was sometimes like reading a doctor's handwriting.

Lawrence became chief moderator and for many years it was my pleasure to be his assistant. He was always a big personality when in the Institute's office, loved by all. Everyone always knew when Lawrence was there, and he always lit up the office.

As education director for many years, I was passionate about forwarding the advancement of my chosen profession. Lawrence was definitely a crucial part of that process.

Without people like Lawrence we would not be where we are today.

I kept in touch with him since he retired. It has been my pleasure to have had him in my life. A great character and very clever person.

God bless Lawrence.

Chris Williams

...key players like Lawrence have helped it in its journey and development.

My first encounter with Lawrence was at my interview for a senior pension job at Cheshire County Council in 1975. Who would have thought this would lead to a professional and personal relationship which would last for 45 years?! Longer than some marriages!

In our fourteen years at Cheshire, Lawrence acted as a personal mentor in developing my career, guiding me through two promotions in pensions and preparing me for a role as a senior pensions manager. He had a unique job covering both payroll and pensions, and during this time he and Peter Blackhurst put in a new in-house payroll system; you wouldn't do that now. Lawrence also brought pensions into the 20th century by introducing the Computerised Local Authority Superannuation System CLASS) used by all local authority pension funds and one of the first public/private partnerships at that time.

In 1980, at the time the Association of Payroll and Superannuation Administrators (APSA) was forming, Lawrence was supportive of both payroll and pension staff becoming involved and he became an examiner when the APSA exam qualification was introduced. In 1989, our paths diverged with Lawrence retiring and myself becoming pensions manager at Clwyd County Council, but we kept in touch.

In 1998, with the merger of APSA and the BPMA Lawrence asked Bill Fulton and I to take the first batch of students in the new Diploma in Pensions through tutoring and attending the weekend school. He had been instrumental in developing the course material and the tutor marked assignments.

We enjoyed our trips to the graduation ceremonies to meet up with friends and students. There was even a 'Lawrence Warrell award', and he was always keen to chat with the successful student. Wherever you were, you could hear his infectious laugh.

On reaching his eighth decade Lawrence retired in 2004. We kept in touch and met for walks and hostelry inspection trips.

Though many members may not have known Lawrence, in this iconic fortieth anniversary year it is worth reviewing how the Chartered Institute has evolved and how key players like Lawrence have helped it in its journey and development. CIPP owes gratitude and thanks to these key players.

I will miss Lawrence very much.

Bryan Monkman

COVID-19 news

CIPP's coronavirus (COVID-19) hub

THE CIPP'S hub, which contains information to help and guide payroll professionals through the pandemic, provides news, resources and links to internal and external resources. (https://bit.ly/3hOK9kR)

Guidance is changing almost daily, so members should ensure they subscribe to the CIPP's *News Online* email service in order to receive advice and updates as soon as available.

The news/articles listed below have been recently reported in the hub and can be reached via the links shown. The online content itself contains links to GOV.UK guidance.

● ***Statutory residence test (SRT)*** – HMRC's *Residence, Domicile and Remittance Basis Manual* provides guidance added in connection with the pandemic (page RDRM11005), and also 'Annex D: International tax clarifications due to coronavirus (COVID 19) – Q&A' (page RDRM13410).

The guidance at RDRM11005, which confirms which circumstances are considered exceptional for the purposes of the SRT, must be read alongside the guidance at RDRM13200. The maximum sixty days in a tax year that can be disregarded due to exceptional circumstances is still applicable.

Annex D features seventeen commonly asked questions with answers that explain aspects of the temporary changes that are in place due to Covid-19. (https://bit.ly/3iBesv6)

● ***Statutory sick pay (SSP)*** – When someone in an employee's support bubble (or extended household in Scotland or Wales) has coronavirus symptoms, payment of SSP is to start from the first qualifying day of the employee's absence from work, as long as they are off for at least four days in a row. Waiting days do not have to be served. (https://bit.ly/3kHUKQc)

● ***Updates to the coronavirus job retention scheme (CJRS)*** – Some recent changes to various guidance pages on the CJRS include:

o supply teachers are eligible, and can be claimed for during any periods of school holiday, as long as the standard eligibility criteria are met (https://bit.ly/3asNBOT)

o furloughed employees who are made redundant are to have their redundancy pay calculated on the basis of their normal wage, and not the reduced furlough amount (https://bit.ly/3asNBOT)

o additional example advising claimants how to proceed where an employee with fixed pay has worked overtime in tax year 2019/20 to have a significant impact on the amount that can be claimed (https://bit.ly/3asNR0j).

● ***Job retention bonus*** – HMRC has published a policy paper which sets out details of which employers can claim, for which employees an employer can claim, and how employers can claim the bonus. More detail about how employers can claim the bonus will be published by the end of September 2020. (https://bit.ly/3fQ8YLe)

● ***CJRS claims*** – Guidance on what employers should do if they have claimed too much or not enough under the CJRS can be found here: https://bit.ly/3gV3IY8.

CJRS statistics

DATA FROM HMRC's real time information (RTI) system is being matched with CJRS data to produce breakdowns of claims by employer size, sector, geography, age and gender. (https://bit.ly/3fVCTBQ)

As at midnight 9 August, total jobs furloughed were 9,600,000; total number of employers furloughing was 1,200,000; and the total value of claims made was £34.7 billion. (https://bit.ly/33YPLEU)

Key points from official statistics published on 15 July covering CJRS claims to 30 June 2020 (https://bit.ly/31T6sie) include the following:

● 9,400,000 employments had been placed on furlough, an increase of 678,000 compared with claims made until the end of May

● 1,140,000 employers had made at least one CJRS claim, an increase of 75,000 over claims made to the end of May

● the total claimed was £26.5 billion at the end of June, representing an additional £9.0 billion in support claimed since the end of May

● employees of small and micro-sized employers were more likely to have been furloughed than those working for medium-sized and large employers: 57% of employments at employers with 5 to 9 employees had been furloughed against just 19% at employers with 250 or more employees

● by age, employees aged 17 were most likely to be furloughed; 61% of employments with a female employee aged 17 were furloughed, the equivalent figure for males was 58%

● across the age bands and by gender, employments with male employees aged 41 to 49 were least likely to be furloughed (28%), while for females, employments where the employees were aged 41 to 57 were the least likely to be furloughed (23%).

Employees, claimants, vacancies

FIGURES PUBLISHED by the Office for National Statistics on 11 August, reveal the following:

● early estimates for July 2020 from RTI indicate that the number of payroll employees fell by 2.5% (730,000) compared with March 2020

● the claimant count increased in July 2020, reaching 2.7 million; this includes both those working with low income or hours and those who are not working

● vacancies in the UK in the period May to July 2020 were at an estimated 370,000; this is 10% higher than the record low in the period April to June 2020.

● the three months to June 2020 saw strong falls in pay; total nominal pay fell by 1.2% on the year and regular nominal pay fell by 0.2% (the first negative pay growth in regular nominal earnings since records began in 2001).

Thinking of applying for Chartered membership?

Chartered membership is available to payroll, pensions and reward professionals wishing to demonstrate their strategic value within their organisation and to the wider profession.

With Chartered membership you will be recognised for being at the top of your profession, committed to compliance and best practice in the payroll and pensions industry. It is a unique level of membership within the industry and is available to both members and non-members of the Institute.

Chartered membership is awarded based on both experience and qualifications and is an all-round achievement that the Queen's Privy Council granted us the authority to award – it is the mark of an up-to-date, experienced and qualified payroll professional.

Becoming a Chartered member has many benefits:

- Unique designatory letters and the use of the title 'Chartered member'
- Use of a CIPP Chartered member logo
- Listed as a Chartered member on the CIPP website
- Raising the standards of the payroll profession and its members
- Chartered member specific events.

In order to apply for Chartered membership, individuals must have demonstrated a commitment to the profession, through knowledge and experience. Budget control, strategic planning and project management are amongst the areas that the panel score each application on. Applicants must be able to demonstrate evidence that they are committed to, represent and promote the CIPP and the payroll and pensions profession. To be considered applicants must also hold, as a minimum, a level five qualification in payroll, pensions, or reward.

How to apply

The assessment process is completed in three stages and can take up to three months from the date the application was submitted. This is to ensure that each application is carefully, fairly and thoroughly assessed.

- Submit completed application form – available to download on the CIPP website – along with any documentation to support the application
- Evidence of the highest formal qualification achieved
- Current CV.

Once applications are submitted, they will be reviewed by the membership team to ensure they meet the required criteria and have provided all relevant information required.

Applications which meet the criteria, and have fully completed all sections of the form, including detailed evidence of competencies, will be assessed by an independent assessment panel made up of current Chartered members.

The panel also assesses the applicant to ensure that they have the same values as the CIPP:

- Community
- Professionalism
- Diplomacy
- Authoritative knowledge.

Further information including the cost to apply are available at: **www.cipp.org.uk/grades/chartered-membership.html.**

If you think you have what it takes to join the highest level of membership email **membership@cipp.org.uk.** ■

We've got mail

Memories of Norman Green

I was sorry to hear of the death of my friend and former colleague Norman Green. I used to represent HM Revenue & Customs, formerly Inland Revenue, at payroll conferences from the late 1980s through to 1995, when I took early retirement. I met Norman through your conferences and through his work with the British Computer Society.

In my role as group leader of the Employer Group on PAYE Operational Policy I valued highly the chance to work with Norman. His constructive criticism worked even-handedly with support if he felt that the departmental representative was in danger of getting an unreasonably rough time!

Norman and I shared a friendship and personal interest in interesting cars, and it is on that account that I particularly recall the BPMA's autumn conference of 1994, held at my beloved National Motorcycle Museum. I had addressed the conference during the afternoon and sat down with him over a cup of tea. He knew of my plan to buy a Morgan Plus 8, knew that I had not actually ever driven a V8 car, and insisted that he and I take a little trip in his Reliant Scimitar, before each setting off for home. I didn't need to be asked twice! I bought my Morgan 22 years ago, still own her, and often think of that afternoon when setting off round Worcestershire lanes.

I am sad to realise that last year's exchange of Christmas cards was to be the end of a chapter. I shall think of you, Norman, when our postman begins this year's deliveries.

My kind regards go to any who may vaguely remember me from those halcyon days.

David Toye

When we were young

Ken Pullar FCIPP, CIPP's chief executive officer, recalls his early years and those of the emerging profession

Having been 'volunteered' to contribute to the 'When we were young' series, and following the articles to date by industry stalwarts Tim Kelsey, Mike Aldous and Vince Ashall, I realised an alternative title was 'Now I am old'. How did that happen? And what a journey payroll has played in my career, from wages/bonus clerk through to chief executive officer of the CIPP today.

I had better start at the beginning (and thus dig deep into my memory banks). Leaving school in Newcastle Upon Tyne at age seventeen, armed with four 'O' levels, and the advice of my careers teacher that "you're good at numbers", like many (if not most) I fell into payroll.

St Fergus gas terminal (which is located between Peterhead and Fraserburgh) was my first foray into payroll as a wages/bonus clerk in 1978. As an exiled Geordie I turned up for the interview in Peterhead and sat in a waiting room with two other candidates, both of whom were local to the area.

I was the last to be interviewed and eventually got to shine with my four 'O' levels and aptitude for numbers – and found that the finance director was a fellow Geordie. I'm sure it was my qualifications that got me the job.

At eighteen years old I embarked on my career working in a portacabin, with my desk next to a large window which was a key viewing point of the clocking stations. Yes, young readers, in the olden days the men – for they were all men – formed a queue before 08.00 every morning to pass their clock card with a 'thud' of the clock card machine with the start time and later in the day the finish time imprinted on the card.

And so my first job – other than watching for any skulduggery in the clock card station (and skulduggery there was aplenty) – was to collect the 300 cards after clocking-in had ended, and record the hours on hand-written timesheets for the previous day.

If you clocked in at 8.01 you were deemed to have started at 08.15 and so your time was 'quartered' – no, that's not a means of decapitation. If you left at 16.29 – instead of the official finish of 16.30 – you were quartered again, as you were deemed to have left at 16.15.

Initially timesheets were sent to the Stockton office – well, they had a computer! – and I received back each week payslips and a detailed cash analysis. This required collection of monies from the bank (taxis seem to be a common theme in the series of articles for the collection of large sums of cash). Cash packets were duly made up – thank goodness for the detailed cash analysis! – ready for the Friday stampede of workers for collection of their pay. And they knew to the penny how much they were entitled to, and woe betide if I – because it was always my fault, being the human face in front of them – got it wrong.

I realised quickly that because pay was calculated on a computer hundreds of miles away, and being challenged weekly on pay, I needed to learn the basics. Which I did.

It was a great start to my career, but in 1982, as the gas terminal came to completion, I found myself in Northallerton, newly married and needing a job. Almost immediately North Yorkshire County Council advertised for a superannuation assistant on a six-month temporary contract. I remember little of this role – other than the silence of the pensions office – as within a month I was whisked upstairs (literally) as a payroll clerk where it was thought I would be of better value.

And here was 'real payroll' and a grounding that in reality set up my career. Having interviewed staff over the years for various roles I have always believed that in terms of knowledge and complexity, payroll staff from within the National Health Service were the best – and that those in local government payrolls were pretty close.

Before I was let loose on my first 'home helps' payroll I was mentored and taught payroll by Anne Grainger. I will never forget the patience and skill with which I was taught. I remember well the first day she left me to my own devices, with a pile of timesheets to code – and I froze; well, for a short while.

North Yorkshire County Council had an ICL Unipay system. I'll always have a fondness for the green screen!

Another momentous event (in hindsight, I realise) was the introduction to me of a professional body called the Association of Payroll and Superannuation Administrators (APSA), also in 1982. A professional body which had a newsletter, qualifications, technical articles and news was something I had to be part of, little knowing the journey it would assist me in for years to come.

Statutory sick pay (SSP) came along in April 1983. With the help of APSA journals as well as government guidance notes and software developers one of my first jobs was to write a process manual for SSP for the payroll office. (Coincidentally, when at Cambridgeshire County Council I had to write up the process manual for statutory maternity pay in 1987.)

Another key feature of my time at North Yorkshire County Council was working

I'm sure it was my qualifications that got me the job.

on the six different teams in the office. I did six months on each section from basic payroll processing in a mix of payrolls, reconciliation, systems and reporting – and this was to become invaluable in my next role and as a foundation in the future of my payroll career.

It was interesting to me that in my time a large number of staff stayed in the same role and team. So, I value very much now the ability I was given to rotate and learn across all aspects of local government payroll.

'Decollator and burster' by 'uncatigger' from flickr is licensed under CC by 2.0

...payroll processing in a mix of payrolls, reconciliation, systems and reporting...

Many colleagues gave great support to me, which I now appreciate all the more, as I embarked on what was then a fledgling career asking lots of questions. I recall two colleagues, Ronnie Kettlewell and Anthony Gibson who were particularly patient with me.

I had a successful move to Cambridgeshire County Council to head the reconciliation and reporting team in 1986. (Did I mention I worked on reporting at NYCC? Well, one particular report was the Joint Manpower Watch.) Upon arrival for my interview at Cambridgeshire County Council was a prepared test in which – yes, you've guessed it – I had to produce a Joint Manpower Watch from raw data provided.

Cambridgeshire County Council was the time of implementing a new payroll system, working long hours, parallel running, the introduction of personal computers, the world wide web, e-mails, the decollator… Ah, the decollator – we all had a stint on that down in the basement – for which the dictionary definition is: "(computing) a machine that decollates (separates) the parts of multipart computer printout and discards the carbon paper". That definition covers a multitude of sins as the machine worked to separate into two piles the actual payslips that were sent out and the carbonised copy that would be kept in the office. If the decollator worked successfully it was great, but often it didn't…and then it was called lots of names, and 'decollator' was not one of them. ■

Some significant developments

1954 – Lyons Tea Company starts payroll processing on LEO – Lyons Electronic Office – a computer it modelled on the Cambridge University EDSAC (electronic delay storage automatic calculator) computer. Later, LEO was offered as a payroll bureau service.

1956 – Researchers at Massachusetts Institute of Technology experiment with direct keyboard input to computers.

1961 – Demonstration of timesharing systems that enable many users to share a computer.

1962 – Announcement of IBM 1311 disk storage drive with a removable disk pack. Each pack weighed about ten pounds, held six disks, and had a capacity of two million characters.

1968 – The bank automated clearing service (BACS) commences.

Some further information

In 1992 the era of payroll outsourcing began with Cambridgeshire County Council moving its payroll operation to Data Sciences, then to IBM Global Services, before finally settling with Capita from 1992–2002, where I was managing director of payroll services for twelve centres in the UK.

I then moved in 2002 to Rebus (formerly Peterborough Software) as outsourcing director, which was bought out by Northgate Information Solutions in 2004 which in turn purchased Arinso in 2008. The newly formed NGA was then bought out by the global investment firm Kohlberg Kravis Roberts.

For a while I was director for NGA payroll delivery in 44 countries, before leaving (and trying to retire) in 2012 albeit doing payroll consultancy and project work with Ramco, ADP and Capita.

During my 43 years I've seen a journey for the better for the payroll and pensions industry. A journey covering APSA from 1980, the British Payroll Managers Association (BPMA) in 1985 and subsequently the Institute of British Payroll Management (IBPM) in 1994, the Institute of Payroll and Pensions Management in1998, and now the Chartered Institute of Payroll Professionals.

The aim of these bodies of having qualifications, training and membership have not changed. Ensuring payroll is recognised as a professional profession in its own right is as relevant today as it was to me and many others when we were young.

Diary of a student...

Joanna Seabrook MCIPPdip
Payroll and benefits administrator, Krohne Limited

Tell us a little about your background and life so far.
I am 44 years old and live in Northamptonshire. I have three children and a husband to look after which keeps me quite busy. I enjoy spending time with family and friends and a spot of ballroom dancing.

What can you tell us about your career and qualifications?
After finishing college, I started my first full-time job in 1997 in purchase ledger for a construction company. When a colleague left, I was asked to run a small in-house weekly payroll and found I enjoyed it much more. Like most people I have met in payroll across the years, I just fell into it and realised it was the job for me.

I secured my first payroll administrator job with R Griggs Limited, which manufactures Dr Martens, running a busy weekly payroll. Unfortunately, I was made redundant in 2004 as the manufacturing moved abroad, following which I took a break as I had a young family. I returned to work full-time in 2011 as a payroll transactions officer for a county council in a shared service.

Why did you choose to study the Foundation Degree?
In all honesty, it was tough going trying to study and work full-time and keep up with all my commitments – but worth it.

The support from the tutors and other students was great and helped me immensely. I found the sessions very useful and it was good to hear about the other students' payroll experiences and the way their companies worked.

The course cemented the skills I already had and broadened my knowledge even further. It also gave me the confidence to question things in my role.

What advice would you give to others who are thinking about studying in order to improve their career?
I would recommend it, as it's worth all the hard work. I was so pleased to gain such a recognised qualification, and the graduation ceremony was one of the best days of my life.

Try to manage time to complete the work but do not be afraid to ask for help and support when needed. Utilise the time with tutors and write lots of notes as the information they give will point you in the right direction for assignments and revising for exams. The tutors helped me outside of sessions via emails and calls which I found a great help.

How did you manage the work-life balance and your study? Do you have any tips for others in the same position?
Try to be disciplined and set time aside to complete assignments and revise for exams. Some companies let you have study days so take advantage of this if available.

During my final year I had a baby, so it was tough going trying to write assignments with a new-born; and there were times when I thought I would not meet the deadlines. I persevered and am proud that I managed to achieve this.

If you need longer to gain the qualification it is not the end of the world as you will reach your goal in the end.

What would you say is the most important thing you learnt?
To believe in myself and not to be afraid of change. It is important to embrace change and keep improving the way you work, especially in the payroll environment.

What did you gain from this qualification – both in terms of skills and also career progression?
I have gained a lot more confidence in myself and my work.

I remember a tutor saying that if we are happy at the level we are then just gain experience in different sectors, and we do not have to become a manager if we do not wish to. This is exactly what I decided to do.

I have worked in different industries from manufacturing, shared services to accountancy firms, using different payroll systems and have learnt a lot. I am back in manufacturing now which I really enjoy.

The experience I have gained over the years and the Foundation Degree in Payroll Management has helped get me to where I am now. There are lots of parts to my current job that are new to me and out of my comfort zone, but I have managed to embrace them. ■

Frequently asked questions

NEW – Virtual CPD appointments now available

The CIPP has recently introduced the option of booking virtual CPD (continuing professional development) appointments. These are a great way to not only learn how to use the CIPP's CPD tool, but how to take full advantage of it and use it to aid you in your search for a promotion, new job or even a pay rise. You will be guided through how your CPD ties into your learning objectives allowing you to truly build a portfolio of your learning and development, so you can easily demonstrate how you have remained up to date and compliant.

To book an appointment simply email **membership@cipp.org.uk** to arrange a convenient time and date.

Frequently asked questions

Continuing professional development is a combination of approaches, ideas and techniques aimed to help professionals manage their learning and development. This is especially true during the current situation for those working in payroll, pensions and reward where keeping up to date with the continuous changes in the industry is essential.

Logging your CPD helps you track your learning and development and tailor your future developed based on your goals.

Below are some of the frequently asked questions we receive regarding CPD to help you learn and grow as a payroll, pensions or reward professional.

Who needs to complete CPD?

Firstly, if you are an associate, full or fellow member with the CIPP then you are expected to log at least one CPD activity per subscription year but there is no minimum points total.

Chartered members are required to achieve at least forty CPD points each subscription year to maintain the prestigious Chartered level.

What counts towards my CPD?

CPD is any form of learning or development that benefits you in your professional environment and career. For example:

- calls into the CIPP's Advisory Service
- on-the-job learning
- attending national forums
- any form of networking where you may have learned something new
- attending virtual training courses and/or events. ■

For more frequently asked questions or to find out how to record your CPD, log into 'MyCIPP' (**www.cipp.org.uk/login.html**).

If you require further help, please email **membership@cipp.org.uk** or call 0121 712 1073.

CPD is demonstrating that you have developed your knowledge and skill set. You demonstrate this through the CIPP's CPD tool by setting learning objectives and development goals.

Taxation of crew-cab vehicles

THE COURT of Appeal has held, in the case Payne, Garbett and Coca-Cola European Partners Great Britain Ltd v The Commissioners for HM Revenue & Customs (https://bit.ly/3fQubo7), that three types of modified crew-cab vehicles should be classified as cars, not vans, for the purposes of taxation of benefits provided by reason of the employment.

Coca-Cola provided the employees with these modified vehicles and allowed private use. Though the company and the employees asserted the vehicles were vans, HMRC argued that as the vehicles did not meet the statutory definition of being of a construction primarily suited for the conveyance of goods or burden they were cars for taxation purposes.

It remains to be seen whether Coca-Cola and the employees will seek to appeal.

For further information visit https://bit.ly/3kDqQMV.

Calculating a week's pay

THE EMPLOYMENT Rights Act 1996 (Coronavirus, Calculation of a Week's Pay) Regulations 2020 (SI 2020 No 814)(https://bit.ly/2CorT1X) came into force on 31 July. These regulations set out how a week's pay is to be calculated in the case of an employee who is or has been furloughed under the coronavirus job retention scheme, for the purposes of calculating any of the following to which the employee is entitled:

- statutory remuneration for time off to look for employment or arrange training
- statutory notice payment
- statutory sum resulting from a failure to provide a written statement of reasons for dismissal
- statutory sum resulting from a failure to comply with an order for reinstatement or re-engagement
- statutory compensation for unfair dismissal
- statutory redundancy payment.

The regulations also set out how a week's pay is to be calculated for the purpose of deciding whether an employee is taken to be on short-time for statutory purposes.

Off-payroll working (IR35)

HM REVENUE & Customs (HMRC) will be re-launching its package of customer education and support later this year, and the October edition of the *Employer Bulletin* will include a full timetable for the support available including webinars, updated guidance and helpful communications resources to cascade to contractors and organisations employers engage with.

Reporting P11D, P11D(b) and P46(car)

THE PAYE Expenses and Benefits service, part of HMRC's PAYE Online service, is being redesigned to focus on the accessibility needs of users as well as providing a more user-centred experience. Further information will be provided ahead of the release which is expected to be within the last quarter of 2020.

HMRC are looking for organisations that employ anywhere from 5–250 employees to participate in user research, and contribute into the design process. To take part in the research contact: brian.coult@digital.hmrc.gov.uk.

Disguised remuneration loan charge

THE AUGUST issue of the *Employer Bulletin* (https://bit.ly/3gSYgEV) provides guidance about the 30 September 2020 deadline for current or former employees who have outstanding disguised remuneration loans that are subject to the loan charge to report details or who want to spread loan balances evenly across tax years 2018/19/20/21.

Diary dates

Last day of tax month 5	5 September
First day of tax month 6	6 September
National Payroll Week	7-11 September
Last day for submitting a real time information employer payment summary to apply to tax month 5	19 September
Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by non-electronic method	
Deadline for payment of PAYE and NICs etc to HMRC's Accounts Office by electronic method	22 September
Last day of tax month 6	5 October
First day of tax month 7	6 October

The Summer Economic Update

Lora Murphy ACIPP, CIPP policy and research officer, outlines the key announcements

On 8 July, the Chancellor of the Exchequer, Rishi Sunak, delivered the Summer Economic Update and gave a speech which laid out a three-point plan:

- support people to find jobs
- create jobs
- protect jobs.

With this the government's *A Plan for Jobs 2020* (https://bit.ly/3fvvdGJ) was launched.

Job retention bonus

Following on from the coronavirus job retention scheme (CJRS), which will close at the end of October 2020, the job retention bonus will provide a one-off payment of £1,000 to UK employers for every employee who is brought back from furlough and continuously employed through November, December and up until the end of January 2021.

To qualify, employers must pay employees an average of £520 each month. Payments will be made to employers from February 2021.

The aim of the bonus is to incentivise employers to retain furloughed employees, not just to get the bonus, but in a bid to provide decent work. If used to its full capacity it will cost over £9 billion.

Supporting jobs

In addition to the creation of new jobs a number of measures were revealed that will result in an increased capacity to support people in their search for work. These will include a blend of one-to-one support and increased emphasis on training and upskilling using resources through the Job Centre and the private sector as well as the National Careers Service.

Kickstart scheme

The Kickstart scheme aspires to create jobs for individuals aged between 16 and 24 who are on universal credit and who are at risk of long-term unemployment. The jobs will provide a six-month placement and the government will fund 100% of the national minimum wage (NMW) rate for 25 hours per week, in addition to the associated secondary (employer) class 1 National Insurance contributions (NICs) and employer minimum automatic enrolment contributions.

To encourage employers to hire new apprentices, the government will make a payment of £2,000 to employers in England for any apprentices under the age of 25 they hire. Any employer hiring apprentices over the age of 25 will receive a £1,500 payment. This applies from 1 August 2020 up until 31 January 2021.

These payments are in addition to the £1,000 payment currently available to employers for new 16–18-year-old apprentices, and anyone aged under 25 with an education, health and care plan.

The government will also provide employers who give trainees work experience, a £1,000 payment per trainee.

Other measures

Moving on from the creation of employment for young people the Chancellor turned to further short-term initiatives aimed at increasing our spending and boosting sectors that have struggled during lockdown.

- *Reduced rate of VAT* – From 15 July to 12 January 2021, a reduced rate of 5% value added tax will be applied to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafes and similar premises throughout the UK. This lower rate will also be applied to supplies of accommodation and admission to attractions.
- *Eat out to help out scheme* – To support approximately 130,000 businesses and help protect the jobs of their 1,800,000 employees, the government is implementing this scheme to encourage people to return to eating out. During August, diners on Monday to Wednesday will get a 50% discount of up to £10 per head on meals at any participating eligible food service establishment. The discount can be applied to any eat-in meal and non-alcoholic drink.
- *Green homes grant* – This grant will provide at least £2 for every £1 spent on making our homes more energy efficient. There will be a limit of £5,000 per household, but for those on lower incomes the scheme will fully fund emergency measures of up to £10,000 per household.
- *Residential stamp duty land tax* – The nil rate band of this tax will temporarily be increased, until 31 March 2021, from £125,000 to £500,000 in England and Northern Ireland.

Defined by our response

The Chancellor commended his plan to the Speaker of the House and finished with the statement: "For me, this has never just been a question of economics, but of values" adding that "We will not be defined by this crisis, but by our response to it".

He really could have been speaking directly to the payroll industry which has worked so hard to keep the UK paid. ■

...a one-off payment of £1,000 to UK employers for every employee who is brought back from furlough and continuously employed...

Redundancy processes and procedures

Gemma Mullis ACIPP, CIPP policy and research officer, provides a timely reminder

At the outset of the outbreak of the coronavirus epidemic, the chancellor of the exchequer, Rishi Sunak, announced to the nation and employers that "We will stand by you, and we hope you will stand by your employees". And with that, the coronavirus job retention scheme (CJRS) was launched to help support employment during this difficult period.

The success of the CJRS scheme has been remarkable and, as at 29 June 2020, it was reported that over nine million employees had been furloughed using the scheme, with £25.5 billion in wage subsidies paid out to employers. Although this has successfully helped to keep employees in employment, the UK is experiencing an increase in unemployment. Considering this, it would be a judicious decision to familiarise yourself with key elements and processes associated with making employees redundant.

Process and selection

Carrying out employee selection for redundancy should be done in a fair and objective way. Methods commonly used include:

- asking employees to volunteer
- reviewing disciplinary records
- reviewing staff appraisals, their skills, qualifications, and experience.

When an employer is closing a whole operation, and making all employees who work within that department redundant, or only one person is being made redundant, a selection process will not have to be carried out, although it is good practice to do so. If different roles are available, these should be offered to those at risk of redundancy in the first instance.

Regardless of the selection method used, you should ensure that the process is in no way discriminative. Forms of discrimination can include, and are not limited to:

- age
- disability
- gender reassignment
- marriage or civil partnership status
- pregnancy or maternity leave
- race
- religion or belief
- sex
- sexual orientation
- family related leave (for example, parental, paternity or adoption leave)
- role as an employee or trade union representative
- membership of a trade union
- part-time or fixed-term employee status
- pay and working hours (for example, because the person has refused to give up rest breaks or asked for national minimum wage or holiday entitlements).

An employee who feels that they have been discriminated in any way by their employer whilst being selected for redundancy, could claim that they have been treated unfairly. Employees do have the right to appeal any decision and this should be put forward in written format with details as to why they believe the decision to be unfair.

In some cases, employees may be asked to reapply for their same role as a method for the employer to make selections; however, it is good to note that if employees are unsuccessful in this process, or they do not wish to apply for the role, they will still be eligible for redundancy.

> ***...familiarise yourself with key elements and processes associated with making employees redundant.***

Collective consultation

If there are twenty or more employees being placed at risk of redundancy, an employer must carry out a collective consultation, as detailed in section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992. To action this, the employer must:

- notify the Redundancy Payments Service (RPS) before a consultation starts, with the deadline depending on the number of proposed redundancies
- consult with trade union or elected employee representatives or, if there are none, with staff directly
- provide information to representatives or staff about the planned redundancies, giving them enough time to consider the details
- respond to any requests for further information
- give any affected staff termination notices showing the agreed leaving date
- issue redundancy notices once the consultation is complete.

The RPS is notified by filling out a document which can be found at: https://bit.ly/38sTQ4f

When making 20–99 employees redundant, the RPS must be given 30 days' notice prior to the first redundancy. Above 100, the notice period increases to 45 days.

Although consultations have no time limit on them, there is a minimum period that must lapse before the employer can dismiss any employee. For 20–99

employees, the minimum consultation period prior to dismissal is 30 days, increasing to 45 days where the number exceeds 100.

During the consultation process, or when considering anyone for redundancy, the employer must provide the employee(s) involved, as well as their representative (if they have requested one), with the following in writing:

- reasons for the redundancies
- the numbers and categories of employees involved in the process
- the numbers of employees in each category
- the plan for selecting employees for redundancy
- how the employer will carry out the redundancies
- how the employer will calculate redundancy payments.

If intending to make more than twenty employees redundant, the employer must follow the collective consultation rules within a 90-day period. For fewer than twenty employees there are no set rules, but it is good practice to fully consult any employee who may potentially be made redundant. Failing to do so, could make the process unfair and lead to an employee making a claim to employment tribunals.

...payable to all employees after completion of two years' service...

How much notice?

Once a redundancy consultation has finished, employers must give those employees who are being made redundant notice and agree on a leaving date. Notice periods will depend on the length of an employee's service, and contracts may offer differing notice periods; however, the employees must be given the minimum statutory notice. This notice period does not necessarily have to be 'worked' but can be given via a payment in lieu of notice (PILON).

For employees with between one month's service and two years' service, the minimum notice to be given is at least a week. From two years' service onwards, an employee will need to be given a weeks' notice for every year that they are employed, capped at a maximum of twelve weeks.

If there is PILON clause in the employee's employment contract, their employment can be ended without the notice period, allowing for a payment to be made covering the notice period they would have worked.

Redundancy pay

Redundancy pay is payable to all employees after completion of two years' service (but see below for excluded categories). The number of weeks of redundancy pay due is based on the employee's age during their period of employment, with length of service capped at twenty years. The payment due is a product of multiplying the employee's service and a week's pay (see below for information about a 'week's pay'.)

For employees under the age of 22, the entitlement is half a week's pay, and for those between the ages of 22–41, the entitlement is one week's pay. Where an employee is over the age of 41, the entitlement payable is one and a half week's pay for each full year completed over this age.

For tax year 2020/21, the statutory redundancy pay in Great Britain (i.e. England, Scotland and Wales), is £538 per week, with a maximum of £16,140. Northern Ireland has a statutory weekly cap of £560 and a maximum cap of £16,800.

Class 1A NICs

Statutory payments are required when making an employee redundant, but many employers offer more generous packages. Redundancy payments that are more than the above, and which are being made as a genuine compensation due to loss of office and are below the limit of £30,000, are not subject to PAYE (pay as you earn) income tax or class 1 National Insurance contributions (NICs). In the event the redundancy payment exceeds this amount, the excess is subject both to PAYE income tax with the employer liable to pay class 1A NICs at 13.8%.

Since April 2020, class 1A NICs are processed in real time and paid alongside usual payroll remittances where they become due for termination payments (and sporting testimonial payments).

Employee rights during furlough

Whilst on a period of furlough, all employees continue to retain their same work rights that include protection against unfair dismissal and the right to a redundancy payment.

Furlough claims made under the CJRS can be paid during the notice period, but redundancy pay cannot be funded by CJRS claims. ■

Categories of worker not entitled to statutory redundancy pay

Those in the following types of work do not qualify for redundancy pay:

- armed forces
- crown servants
- domestic service, where these are a member of the employer's immediate family
- police
- share fishing
- apprentices who are not employees at the end of their training.

A week's pay

If a week's pay for a redundant employee is less than the statutory weekly amount, the lower amount is paid as statutory redundancy pay. The employer may make payment in excess of the statutory weekly amount by choice or by reason of a contractual provision.

For the purpose of calculating a week's pay, it is necessary to include:

- regular overtime, if the employee's contract says they must get paid for it
- any bonuses or commission.

In the circumstance that the employee's pay changes from week to week, it is also a requirement when calculating a week's pay to use the average weekly pay for the previous twelve weeks from the date the employee is made redundant. If the employee did not work for a whole week during that time – e.g. they were on holiday or off sick – an earlier week must be used.

When calculating redundancy pay for those who are or had been on furlough their wages must be topped up to 100%. For example, if an employee's weekly pay is usually £300 but they received 80% pay while on furlough, their redundancy pay must be their full normal pay of £300 a week. (For further examples, see https://bit.ly/2XOm70W.)

Overcoming compliance

Ian Neale, director at **Aries Insight**, discusses the issues and wonders whether it's time to take back control

To borrow the title of a book currently making waves in America, it seems like 'too much and never enough' is a fair description of compliance today. In practically all sectors of the pensions industry, the cost of doing business has been accelerating over the past forty years in proportion to the remorseless rise in imposed compliance requirements.

The volume of legislation has risen almost exponentially, subject only to a check since the 2016 referendum directed the government's attention elsewhere. In tandem, we've been moved from self-regulation to the state we're in today, facing both The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA). If their current 'guidance' was printed it would occupy many shelf-feet of space, but the days of laboriously replacing pages of out-of-date material in loose-leaf volumes have gone. Instead, we find it online.

So a new profession has arisen, with organisations having to appoint compliance officers, whose job it is to keep track of all the changes and make sure colleagues do the right thing, in the right way, at the right time – and report to the regulators. Mistakes mean fines – or, worse, complaints. The ensuing adverse publicity reaches legislators, who decide more burdensome rules are required.

The popular image of pensions, sadly, never seems to have recovered from misbehaviour in the wild west days of the late eighties, when 'mis-selling' entered the lexicon – as government ads encouraged members to throw off the chains of fuddy-duddy company pension schemes (mostly defined benefit) and take back control via a personal pension.

Pension transfers are once more centre stage (if they ever left), with fraudsters enjoying a new opportunity boosted by the advent of pension freedoms. Scheme administrators are under pressure from new directions, including claims management companies (subject to FCA regulation since April 2019) and ombudsmen. Demonstrating adequate member protection is no simple matter.

This seems to stem from a prevailing view among regulatory bodies that the principle of caveat emptor (let the buyer beware) is overridden in pensions by the asymmetry of information between members on the one hand and providers and intermediaries on the other. This has led to an additional proliferation of regulatory fervour, adding layer upon layer of 'disclosure' rules to the burden of compliance.

All this is supposed to be monitored: there's not much point in making new rules if nobody checks on compliance. So, regulations prescribe a mesh of reporting obligations and deadlines, ostensibly for the benefit of pension scheme members although it is often questioned what benefit is conferred. The imperative though is compliance; at minimum cost, of course.

The zeal to give members all the information legislators think they ought to have, allied to an equivalent passion for minimising risk, leads to widespread deposition of slabs of boilerplate text in disclosure documents – which nobody ever reads. Statutory money purchase illustrations, for example, are mandatory every year for members with money purchase pots but receive hardly any more attention than the 'terms and conditions' every website demands visitors assent to.

Dawning recognition of this, after more than fifteen years, has spawned the push for a simpler annual benefit statement limited to two sides – if not just one – of A4. Unknown for now is whether the findings of research into what members actually want to know will trump what providers think they need to tell them to avoid later claims for compensation.

I think we need to open up; we need a transformation, beyond a narrow focus on compliance, disclosure and reporting, in favour of transparency. Recent legislative developments requiring publication on websites, sometimes superseding a former obligation to supply printed paper via the post, are a good move and should obviously reduce the burden of cost.

However, this is about 'what you have to do'; but proving that you've done it is often another matter. Effectively tackling the overgrown regulatory reporting culture is going to require much more backbone because, after all, regulators rule, don't they? We have an interesting opportunity this year, though.

As all weary pensions professionals know, regulators are funded in large measure by levies paid by pension schemes, firms and individuals subject to regulation. Last autumn the Department for Work and Pensions was looking for a big hike in the general levy paid by occupational and personal pension schemes, but after strong push-back settled for just 10% more. Then with the arrival of the pandemic, regulations embedding this increase were suddenly revoked.

There should be a very vigorous discussion before any further increases are accepted by the industry. There are two ways to look at it. Most organisations work within a set a budget, so expenditure is limited by income. What seems to happen in the regulatory sphere is that the level of activity is determined first and then funding sought to match it. Time to seize the moment, and take back control? ■

...regulations prescribe a mesh of reporting obligations and deadlines...

Compliance

Jerome Smail, freelance journalist, presents the views of five industry luminaries

Compliance is, and has always been, at the very heart of payroll. But nothing in this sector remains static and the goalposts are moving all the time – and the pile of regulation, legislation and guidance is growing ever higher.

To get a handle on how to navigate successfully through the compliance maze, I spoke to these key players in the payroll industry:

- *Sarel Daysh MSc ChFCIPP,* implementation director at Payescape
- *Elaine Gibson MSc ChFCIPPdip MCMI FHEA,* director of people and quality at Dataplan
- *Jeni Morris,* senior manager, people advisory services, National Minimum Wage team at Ernst & Young
- *Julie Northover ChFCIPPdip,* CIPP head assessor for Payroll Assurance Scheme
- *Jaspal Randhawa-Wayte ChMCIPPdip,* director of product management, payroll, at Zellis.

Here's what they had to say.

What are the key strategic considerations for a payroll operation in its aim of achieving compliance?

Sarel Daysh: Payroll teams need to consider who we work for, what their requirements are, where we work, when we do the work and how we are going to do it. How do we get the information we need to process the payroll – is it by email, paper return, online portal or other method? How are we going to record and analyse the data? Once processed, how do we then return that data? What are the turnaround times on processing the payroll?

Then we need to consider the turnaround on resolving issues or client queries. How do we maintain data accuracy? How do we review and analyse overdue payrolls or tasks?

Elaine Gibson: To ensure technical compliance, it is essential that we continually monitor and apply ever-changing government legislation. But it is also about provision of a payroll and pensions service. All Dataplan customers are unique in their own right; and each client has their own contractual requirements and nuances.

Also, not all customers require us to just take care of the full lifecycle of payroll. We listen to our customers and are constantly monitoring trends to establish individual customer needs. To support compliance, the workforce at Dataplan does not just consist of our technical payroll teams – we are supported by innovation, projects, legislation and compliance, developers and IT, customer service and pensions teams, headed up by our team of four directors.

Across the teams we have a wealth of technical knowledge and experience. However, it is important that all these vital departments work in cohesion to ensure the best service provision. To ensure a strategic, compliant and joined-up approach, as well as senior team meetings we set up a quality and compliance group. This involves key stakeholders across the business and enables us to identify potential barriers to success and make speedy and timely decisions to ensure we create consistency in our approach to service delivery.

Jeni Morris: The foundation of national minimum wage (NMW) compliance is knowing the correct worker category – as defined by NMW legislation – of each employee.

Sounds simple enough. However, many businesses consider their workers to be salaried, only to realise that NMW rules place them into the unmeasured category. The way NMW is calculated varies depending on each worker category. This often leads to unintentional breaches occurring but, unfortunately, HM Revenue & Customs (HMRC) does not differentiate between intentional and unintentional breaches.

Working hours often become a risk point during many HMRC NMW investigations. Actual working hours – not contracted hours – are routinely required to evidence that no NMW breaches have occurred. This will also include any flexi or TOIL (time off in lieu) records. Robust and regular payroll checks are required to ensure the pay received is at least the NMW rate for the working hours – and extra care is particularly required when salary sacrifice agreements are involved.

Julie Northover: Organisations should have a programme of strategies for ensuring payroll compliance and they should be far-reaching within the business and not just focus on the payroll department, as it is not a standalone function.

Understanding and identifying what and where the potential risks are is the foundation to forming efficient strategies to counter those risks.

> ***...timely decisions to ensure we create consistency in our approach to service...***

The key areas for consideration generally fall into three categories.

First, people. Suitably trained and motivated staff can be a huge contributor to effective compliance. The roles, responsibilities, and accountabilities of everyone involved in the payroll function should be evaluated; appropriate skills, qualifications, and training required to perform the payroll functions should be measured against the roles and those people identified.

Second, processes. Understand and document the end-to-end payroll processes; identify gaps in controls; monitor and review controls; ensure segregation of duties; manage data effectively and efficiently.

Third, systems. Constantly review to identify potential weaknesses in software security; map IT general controls over payroll systems and supporting infrastructure; and evaluate and future-proof system requirements to ensure they remain fit for purpose.

Jaspal Randhawa-Wayte: Payroll departments need to look way ahead and focus on the political and regulatory changes that are likely to be introduced over the next few years, so that they are planned for in advance. Perhaps the most important part of this is having the right discussions with software suppliers to determine whether functionality will be built into their products to make compliance easier and avoid manual workarounds that can result in errors.

What are the most effective ways of measuring compliance and auditing processes?

SD: It is important that the person measuring compliance and auditing the processes understands the end-to-end payroll process. This means they can identify gaps in controls and help with monitoring existing controls.

The controls must be reviewed on a regular basis to ensure they are fit for purpose. Having a good compliance matrix to measure against will enable the operator to see if it is working as designed. The matrix to be measured must be relevant, and it is vital to involve the right people.

Organisations have to consider their key risk indicators, which can be:

- issue response times – how we must have a workable process to identify and report regular or potential issues
- change response – how quickly we can respond to changes in legislation or guidance
- competency of the payroll team – this needs to be continuously assessed, especially if there have been changes in technology or legislation
- system resilience – confidence that your systems are robust and resilient
- data security – with all the changes involved over the years, how much confidence do you have in your systems and processes to keep the data secure?

EG: We have a significant number of controls in place at Dataplan, such as message prompts in our software, trackers to ensure deadlines are met and monitored, exception reports and regular auditing of customer records to ensure we are fulfilling their needs in an accurate and timely manner. We ensure excellent communication channels between our payroll professionals and customers. One of our greatest measures is the customer satisfaction and feedback we receive about our service provision.

We don't take this for granted though. To strengthen our service: we hold ISO 27001 accreditation; undertake an annual ISAE3402 audit providing assurance on our key controls; and work within the parameters of ISO 9001. In March this year we re-accredited for the CIPP Payroll Assurance Scheme, involving rigorous audit of our payroll service provision and our approach internally to ensure a positive culture and people processes.

JM: I would recommend regular payroll checks, including birthdate triggers to transition on to the next NMW rate, as well as extra care around 1 April NMW annual rate increase. Start and end dates of apprentice require robust checks to ensure NMW compliance.

Where a worker has entered into voluntary salary sacrifice agreements, it is imperative that the aggregate of all salary sacrifice amounts is included in a NMW calculation. This calculation is required for each pay reference period to ensure no breaches have occurred.

Regularly check the wage/pay codes to identify which pay elements are not to be included in the NMW calculation – for example, premium payments and allowances.

Regularly review deductions from pay. Certain deductions will reduce pay for NMW purposes, such as administration fees for attachment of earnings, goods and services bought from the business – even voluntary deductions.

JN: Some areas of compliance can be measured using key performance indicators. All documented procedures should be regularly reviewed. All personnel should be empowered to identify new risks and review existing ones. Business continuity and disaster recovery plans should not only exist but be tested. Internal audits should be conducted, and external/independent audits should be carried out.

CIPP's PAS not only measures payroll compliance and audit processes, but it also provides a kitemark to successful organisations to endorse those processes as being effective.

J R-W: Payroll teams should create a thoroughly documented and strongly enforced framework for compliance. This needs to be proactively reviewed to demonstrate its effectiveness to the board and the appropriate regulatory bodies.

There are several tools that can be implemented for tracking and measuring compliance. A comprehensive checklist is an absolute must, stored digitally and securely to significantly reduce the chances that it will be deleted or lost. This checklist must be regularly reviewed and updated.

With the rules, regulations, legislation and guidance changing on a continual basis – especially during the Covid-19 crisis – what methods should payroll employ to keep fully up to date?

SD: Too often I have come across payrollers who expect to be kept up to date and do no research themselves. That is the difference between a payroller and a payroll professional. The payroll professional will research the changes, look at what other payroll professionals have said and ask questions. They will attend webinars and join one of the various chat groups that have been created since the pandemic started. Being part of the CIPP gives members invaluable resources

...controls must be reviewed on a regular basis to ensure they are fit for purpose.

to help with keeping up to date with legislation. We cannot work in isolation and must stay in contact with each other to achieve the best possible interpretation of any change.

EG: Generally, we must be mindful of not just the changes in legislation but the ability of our systems and processes to deliver a quality and compliant service. As well as the head of legislation and regular updates and guidance, at Dataplan we have internal technical teams that interpret the legislative requirements, apply them to our systems and processes and roll out a programme of updates on a regular basis.

JM: During the pandemic the actual working hours are less visible, so it is imperative that robust and accurate time records are maintained – this may include times where individuals have worked through breaks or worked longer hours than usual. The implementation of the flexible furlough scheme has also highlighted the importance of maintaining accurate working hours. Such records should be maintained for a six-year period.

JN: We have had the challenge of our lifetime since March 2020 with new Covid-19 related rules announced that use 38 different effective dates. The job retention scheme has been updated no less than 72 times in fourteen weeks.

Daily updates and webinars from Gov.uk, as well as CIPP's daily *News Online* and regular webinars, have been invaluable during these unprecedented times. While there are numerous media that will replicate the facts, you cannot beat going straight to the source of the information.

...job retention scheme has been updated no less than 72 times...

However, some of the new rules have been almost impossible to digest and sometimes even contradictory. On these occasions we have all benefited by professional forums seeking clarification that they have willingly passed on to others. The payroll mantra has been 'we are all in this together' and I have seen many inspiring examples of camaraderie over the last four months.

CIPP also created a Covid-19 hub on their website that has been regularly updated and made available to members and non-members alike to provide a one-stop-shop of support for anyone who needs access to all Covid-19-related resources at a glance.

J R-W: Social media platforms such as LinkedIn and Twitter can be particularly useful for obtaining succinct and easily digestible information, provided you are connected with the right experts. Another option is to subscribe to digital newsletters from consultancy and audit specialists as well as, of course, professional membership bodies like the CIPP.

Don't forget to look out for updates from your software providers, too. As a crucial partner in your payroll success, your provider should be in regular contact and providing useful content, such as webinars, to guide you through the complex changes – with specific reference to how to implement and utilise any important software updates. ■

Returning to the workplace

Diana Bruce MCIPPdip, CIPP technical material author, outlines the practical and legal obligation and duties as the lockdown is slowly eased

As lockdown restrictions continue to ease across the UK, there is an obligation on employers to be prudent and ensure their workplaces have all the necessary measures in place to prevent further infection. Though the nation is, in the main, champing-at-the-bit to get back to some kind of normality, employers must be mindful that many staff members are extremely nervous of resuming normal activities in the workplace.

Health and safety

The government has published a variety of guides (https://bit.ly/3fUdYzg) with actions that are specific to different types of businesses; for example, an office environment is going to differ in its needs to an outdoor one, such as construction. However, the guides have a commonality as they are all based on five practical steps to working safely:

- carry out a COVID-19 risk assessment
- develop cleaning, handwashing and hygiene procedures
- help people to work from home
- maintain the two-metres social distancing, where possible, and
- where people cannot be two metres apart, manage transmission risk.

Employers already have legal health and safety requirements that they must comply with as they have a duty to manage risk and protect people from harm. Before a business restart, a risk assessment must be conducted which should be in line with Health and Safety Executive guidance on coronavirus. Under the Management of Health and Safety at Work Regulations 1999 the minimum employers are required to do comprises:

- identifying what could cause injury or illness in their business (hazards)
- deciding how likely it is that someone could be harmed and how seriously (the risk)
- taking action to eliminate the hazard or, if this isn't possible, control the risk.

The risks to health and safety identified by the assessment must be shared with workers along with the preventive and protective measures put in place. This information should be made available to view on the company website and must be reviewed regularly to ensure it is effective. It is not a one-off process when restarting a business; managing risk and protecting people from harm is an ongoing duty for employers.

If an employee thinks that their employer is not complying with their health and safety obligations, they could be found to be in breach of the employment contract and the employee has grounds to refuse to go to work.

...five practical steps to working safely...

Lines of communication

Consulting and communicating with workers (or representatives in some cases) as soon as possible is an essential step before coming to mutual agreements to bring employees back into the workplace. As most businesses are seeing transitional changes, it is also important to keep the workforce informed of all ongoing developments.

Providing information about what to expect on return to the workplace is essential, including changes in processes and ways of working. If any activities cannot adhere to social distancing rules, such as face to face meetings, employers will need to assess whether the activity is an essential requirement.

There is also the reality that some workers will be nervous about returning to work, whether for fear of infection or for more practical reasons such as caring for children. The advice from the Advisory, Conciliation and Arbitration Service is that employees and workers should be ready to return to work at short notice, but that employers should be flexible where possible. Employers must take time to listen to any concerns and take appropriate steps to address them, with care and sensitivity.

Working from home

Government guidance continues to advise employers to encourage staff to work from home wherever possible. It lays out the 'reasonable steps' employers should take to help facilitate this. Working from home will have become the new norm for those workers whose role facilitates it.

Many businesses have purchased (or

reimbursed payments to workers) for new equipment such as laptops to make home-working possible during lockdown. This investment could be further rewarded by assessing whether it is necessary to bring all workers back in-house.

A temporary income tax and National Insurance contributions (NICs) exemption has been put in place for those employees who are working from home due to COVID-19, and applies to home office equipment purchased by the employee out of necessity due to working from home. The exemption applies to reimbursed payments made from 16 March 2020 until the end of the tax year 2020/21, where the equipment is purchased for the sole purpose of facilitating an employee to work from home due to the coronavirus outbreak.

...in breach of their duty of care responsibilities.

In addition, where an employer can settle the tax and NICs due on any expenses or benefits which are related to the coronavirus outbreak, this can be reported in the employer's PAYE settlement agreement.

Employment contracts

Some workers may ask to continue working from home and if this is not possible then it could come down to what is stipulated in the worker's contract of employment. If an agreement cannot be reached and an individual does not want to come back to work, then consideration could be given to allowing them to take annual leave or even unpaid leave; however, the employer does not have to agree to this. If a worker refuses to come back to work and the employer does not consider the reason to be valid, then it could result in disciplinary action.

If an individual has been told by a health organisation, such as the NHS, that they need to shield, their employer cannot force them to return to work. Government guidance states that those who are extremely vulnerable should not work outside the home. Employers should allow these workers to continue to work from home or provide equipment to help them do so, and if not provided, they could be in breach of their duty of care responsibilities.

Changes to working patterns or hours may need to be made to allow for measures to reduce risk and, as such, an employer can change the employment contractual terms and these must be agreed by both parties. It is advisable to put any new arrangements in writing and ensure that it is clear whether a change is a temporary or permanent one.

Guidance

Employers are used to the devolved administrations across the UK adding layers of complexity to the business function. And concerning coronavirus, this still rings true albeit for different reasons.

Due to the infection rate of COVID-19 varying across the country, the advice for England, Wales, Scotland and Northern Ireland, and even some localised areas where the infection rate has spiked, differs. Care should be taken by employers (and employees) to adhere to the correct guidance for their locations.

Gov.uk includes guidelines for England (https://bit.ly/30IBGYM), Scotland (https://bit.ly/3hFDGYX), Wales (https://bit.ly/2ZTfkod) and Northern Ireland (https://bit.ly/3eOHIfr). ■

Research

During July, the CIPP ran a poll with several options asking how employees believe their employers are treating a return to the workplace. Of the 533 responses received:

- the most favoured option (34%) was that a return was 'dependant on individual circumstances'
- 24% opted for a 'compulsory' return, followed closely by 'no intentions to return to the workplace, as work will be performed remotely' (19%)
- 15% cited an 'optional' return, and
- the remaining 8% selected 'nothing confirmed as yet'.

Although the poll represents only a snapshot in time, from an arbitrary number of CIPP website users, it indicates the variety of approaches being taken to returning to the workplace.

Other research (https://bit.ly/3hwVPYP) conducted during lockdown has shown that many businesses have seen improved productivity in home-working so we may well see employers re-modelling their businesses to work more flexibly on a permanent basis.

HMRC's approach to compliance

Tim Bridgett, employment taxes senior manager at **PSTAX**, discusses proposed new powers for HMRC and the wider ramifications

Public bodies have had to navigate a particularly tricky path in recent months in determining whether staff may be furloughed and whether a claim under the coronavirus job retention scheme (CJRS) is appropriate. It is fair to say that government guidance has not been particularly clear in this respect. From the outset the guidance has appeared to steer public bodies away from the prospect of making a claim pointing out that if they continue to receive funding then the government would not expect them to claim. In addition to this, the guidance also points out that every effort must be made to redeploy staff and that furloughing them and making a CJRS claim is very much a last resort.

However, the guidance also appeared to leave the door open to the public sector to make claims in respect of staff for whom the funding was not (primarily) derived from the taxpayer; indeed, claims have been made by local authorities on that basis e.g. leisure centres. As a further example of the government accepting claims being permissible in the public sector, the Department for Education and Skills has issued guidance for schools confirming that the furloughing of staff is permissible in respect of jobs funded by private income streams.

Therefore, based on the limited guidance available, some public bodies decided that they could legitimately furlough their staff and make a claim. On the basis that HM Revenue & Customs' (HMRC's) approach has been to process claims in the first instance and then check them later, public bodies are waiting to see if HMRC will be reviewing these claims retrospectively. Therefore, it is important to understand what powers HMRC has at its disposal to do that.

HMRC's guidance on CJRS has been recently updated in relation to the process it is developing to recover overclaimed grant amounts through the tax system. New measures were included in Finance Bill 2020 which, having received in July Royal Assent, will give HMRC powers in relation to the policing of CJRS grants.

By the end of June 2020, some 9,400,000 employees had been placed on furlough, with the total CJRS grants of £26.5 billion paid up to that point.

> ***...it is inevitable that errors in grant claims, whether deliberate or accidental, have been made.***

With such a massive sum of money, it is inevitable that errors in grant claims, whether deliberate or accidental, have been made.

HMRC's current guidance confirms that employers that have made an error which has resulted in an overclaimed amount must notify HMRC as soon as possible and must pay back any overclaimed amount. This repayment will be done either by a reduction of later CJRS claims or a direct payment to HMRC where no further CJRS claims are planned.

The new measures confirm that HMRC can use its information and inspection powers to check that a CJRS claim has not been overpaid and that a CJRS payment has properly been used to pay furloughed employee costs. We understand that HMRC will be changing some of its staff processes to accommodate these changes and that compliance personnel will be assigned to review CJRS claims.

Where errors are discovered, HMRC can raise income tax assessments for employers that have received CJRS payments to which they are not entitled or where they have not used a payment to pay furloughed employee costs.

Additionally, the measures give HMRC powers to charge a penalty where a person deliberately makes an incorrect claim for CJRS payment, including where

the claimed CJRS payment deliberately is not used for the costs it was intended to reimburse. As mentioned above, employers are required to notify HMRC of any errors, and so the penalties apply if the person fails to notify HMRC within ninety days. The penalties could be of a fixed amount, although it is more likely that they will be based on the level of the overclaim and will be influenced by the employer's behaviour and whether the employer has been careless or has deliberately made false claims. Interest charges are also likely to arise.

It is worthwhile remembering that employers are required to keep a detailed copy of all records relating to CJRS claims for six years. This will allow HMRC a significant period of time to review claims and to penalise employers where errors are discovered.

Finally, the measures give HMRC powers to make a 'company officer' jointly and severally liable for the income tax charge raised in relation to any CJRS payment to which the employer was not entitled or any CJRS payment which was never intended to be used to pay furloughed employee costs in certain circumstances. It does not specify if this would apply to a 'section 151 officer' in a local authority, but it is safer to assume that this will be the case. Those circumstances are where the officer is culpable for making a deliberate CJRS claim to which the employer was not entitled. These powers apply where HMRC can meet certain tests showing there is a serious risk that the employer will be unable pay the income tax assessment.

...claims can also be quite complex where employees are being flexibly furloughed and/or their wages are subject to top-up.

So where does this leave public bodies? Clearly, we would not expect any public sector employers to be making fraudulent claims. However, HMRC may wish to review the position closely to satisfy itself that any claims in this sector meet the necessary requirements based on its own (limited) guidance.

Simple errors are also entirely possible regarding the basis of the calculation for the CJRS claims for certain employees, e.g. interpreting the complex rules where the employee's pay is variable. On the latter point it is reassuring to note that HMRC has confirmed that it will not decline to make or seek repayment of CJRS grants based solely on the choice of calculation, providing a reasonable choice is made, in line with the most up to date guidance. CJRS claims can also be quite complex where employees are being flexibly furloughed and/or their wages are subject to top-up. Therefore, it is possible that mistakes have been made that will be picked up by HMRC.

In summary, public bodies making CJRS claims should be aware of the potential implications of making incorrect claims and should take care to ensure that they can demonstrate that they have made a reasonable interpretation of the rules and applied the correct calculation methodology. As always, employers are urged to seek advice, where appropriate. ■

Furlough – the frontline

The CIPP's policy and research team outlines experiences of payroll professionals who so far have met the challenge of delivering payroll in a pandemic

Since the day that the prime minister first talked about statutory sick pay (SSP) becoming payable on day one of a period of incapacity for work – and throughout every successive government announcement, including the launch of the coronavirus job retention scheme (CJRS) and the UK-wide lockdown – payroll professionals have pulled out all the stops to continue keeping the UK paid. They have done an amazing job.

So, in wanting these payroll professionals to share their experiences the CIPP policy and research team organised a virtual roundtable for the end of June. The response, however, was phenomenal, so we held three roundtables – but we still had a waiting list. These roundtables were followed with a survey. It is from both the anecdotal and the survey evidence that we share with you here these experiences.

Though no one-size-fits-all in payroll, and all sectors and service lines were impacted, yet we established key themes that spanned all experiences.

Scattered throughout the following are quotes from payroll professionals.

Transfer from office to home

Over 80% of survey respondents have moved to homeworking.

Transferring from office to home covers both technical issues and balancing work and family relationships.

- *Technical* – Experiences varied widely, and the ease in which the transfer happened was supported where there were high levels of foresight, which a surprising number of members benefitted from.

As supplies of equipment were soon snapped up, existing technology proved to be a key to successful homeworking. Many members reported having to use antiquated equipment which, when coupled with poor broadband connection, made for poor working conditions. Members using cloud-based solutions reported significant benefits to transferring from office to home.

One of the challenges felt generally was that of the limitations on printing and storing pay reports and the printing and postage of payslips, P60 certificate and P45 forms. This challenge was overcome in two main ways: by travelling to the office periodically to catch up on printing; and moving to electronic transfer.

- *Work and family relationships* – Nobody missed commuting. The majority of members used the extra time to work and, in turn, experienced greater efficiency levels; but whether the latter is due to additional hours being worked (extreme, in many cases) or due to the lack of interruptions so commonly experienced in offices, is not clear.

Virtual communications have supported team working enormously, with MS Teams taking the lead in popularity followed closely by Zoom and Skype all enabling greater teamwork: "It's actually making my team happier", was one comment. For many there has been a greater sense of achievement as they have gone above and beyond in delivering payroll services to colleagues and clients.

But others have not fared so well. Homeworking doesn't suit everyone and many of us are working excessive and unsustainable hours.

In addition, juggling the demands of family, childcare, caring responsibilities and home schooling, while perched in some cases on the end of the kitchen table, can make for a potentially explosive situation. Sadly, this pandemic will see many choosing to leave the profession; indeed, some already have.

There is no one-size-fits-all for individual experience; contrast this quote "I am stressed and tired and battling working on the dining room table" with "I am more productive, with less interruptions".

The same can be said for payroll teams; contrast: "The team have continued to work exceptionally well" with "Had a lot more queries and complaints – seems they are quite distracted and struggled to manage their time effectively".

> ***...payroll professionals have pulled out all the stops to continue keeping the UK paid.***

Delivery of the CJRS

Feedback confirms that the payroll profession was impressed with the speed at which HM Revenue & Customs (HMRC) delivered the CJRS. However, the constantly changing guidance

has impacted the workload and the confidence with which the profession has responded. The constant need for changes has created, at times, a perception that 'payroll got it wrong'. Errors in some of the early examples were not helpful.

Though guidance has improved, it is still not inclusive of all common situations; and an improved version control would be helpful as not all updates have been logged. It would also have been preferable to have phase one and phase two guidance separately.

Challenges with furlough and CJRS

The launch of the CJRS and furloughing unleashed the first of the major challenges – understanding a new language and terminology. This was followed by the challenge in calculating 80% of variable pay, particularly earlier in the year for claims which covered 1–31 March; and then in understanding how all the variables that are so commonplace to payroll could be dealt with.

Three key problem areas were single-director personal service companies with annual payments, salary sacrifice and statutory payments. The list of challenges is endless, and you will probably have your own 'favourites'.

There was immediate disappointment at the cut-off limit of 100 employees for uploading data files for making claims, with manual data entry required for fewer than this. Why could the limit have not been lower? But the experience of using the claim portal has been positive.

Dealing with errors and making corrections to claims has been a key concern with many employers validating claim details before submitting them. Other members report claiming one full month in arrears to ensure that any needed post-payroll corrections had been made.

No payroll software product was designed to deal with furlough and the CJRS claim process; which is not to say that members haven't been impressed with the efforts of their software providers. In the end, the majority created their own workarounds with Excel being the 'go to' product with 81% of survey respondents using this for calculating claims.

Fears of flexible furlough include the increased risk of error and the reduction in the available time to make corrections. Nobody was enthusiastic about the arrival of flexible furlough, and concerns were raised about:

- calculating usual hours on variable pay
- resources to manage the additional workload especially for weekly pay runs
- getting timely information from clients over hours worked, with experience since rollout of flexible furlough confirming fears with clients thinking 'payroll should know that'
- collating records and long-term record keeping in the event of HMRC audit.

...payroll has been raised-up and seen as the 'go to team' for answers...

Morale and a sense of appreciation

There has been a range of emotions experienced these last few months, including: exhaustion due to long hours/days, tears, laughter and fear. There have also been mixed experiences of recognition within the workplace from colleagues, clients and management, with huge variation. Though payroll has been raised-up and seen as the 'go to team' for answers relating to all work not just CJRS and SSP, others consider they have been devalued by the experience.

A small number (23%) of employers demonstrated their appreciation for the hard-work and commitment in small ways including small bonuses, gift of chocolates, flowers, food packages and time off, or just a simple thank you – the latter being warmly received.

Thoughts for the future

Home working has resulted in 41% of employers now more open to the idea of employees being home-based, with 21% wholly supportive of all or more home working. However, 10% will still not support the request.

Many employers have yet to decide on future working ways and instead are waiting until 'normal service is resumed'. It is acknowledged that the way that most payroll professionals have had to work since March is not sustainable; and it has only worked because it had to, not because it was a preferred way of working.

As to the feeling of being valued, the survey revealed a pleasing 56%, although worryingly 39% said they do not.

Out of adversity comes opportunity

Benjamin Franklin, the source of the above quote, did not have the foresight to predict Covid-19 and the global pandemic, but he knew a thing or two about adversity.

What has shone brightly throughout this dark time has been the dedication, commitment and loyalty that payroll professionals have for their employer, their colleagues and their clients. There have been thousands of hours of unpaid overtime worked to ensure that all employees continue to be paid on time and accurately and that accurate claims could be submitted to provide employers with essential government funding.

As regards lessons learned over the last few months, we acknowledge that time will reveal them fully. However, so far, and in large part thanks to the optimistic and opportunist nature of the payroll professional, we already know the following:

- The value of meeting and communicating with people on a daily basis.
- It is important to maintain good communications and be kind.
- Weekly variable pay is a nightmare.
- We always need to work the problem.
- The UK-wide lockdown will increase the speed and ease of moving to a paperless office. ("Of necessity we had to move clients to electronic payslips – clients are liking this move a lot!")
- Just how important it is to have a payroll contingency plan in place for someone else to be able to process the payroll. (There are many single payroll teams serving their employers and clients.)
- And, a final quote, "From a personal point of view the importance of being able to go outside, and from a work point of view the value of a good to-do-list." ■

Thank you
We extend appreciation and gratitude to the members and those in the wider payroll profession who took time out of their extremely busy lives to attend the virtual meetings and respond to the survey.

Smarterly rebranding

IN EARLY July, the fintech workplace savings business, Smarterly, changed its name to Cushon shortly after entering the pension market through the acquisition of the Salvus Master Trust. The company offers a range of payroll-enabled workplace savings products, and was the first to introduce a payroll-enabled lifetime ISA (individual savings account) and to offer a mobile app that allows saving via payroll.

Ben Pollard, founder, said: "We're super excited about our new name and getting stuck into pensions to disrupt the status quo. We've got some very cool tech announcements in the pipeline, so watch this space."

Phil Hollingdale, co-founder, said: "we will be shortly launching our new pension product and other exciting new tech developments. We have evolved and we want our name to reflect this."

Cushon's financial resilience research conducted in May 2020 reveals:

- 91% of employers felt that their employees had woken up to the importance of having a savings pot to help when unexpected events occur
- 84% felt that they should help their employees build accessible savings
- 93% would now consider setting up a workplace savings scheme to help foster better savings habits in addition to a pension scheme, and
- 57% of employees said if their employer set-up a workplace savings scheme during the Covid-19 crisis, which they could pay into directly from their salary and they could afford it, they would take up the offer.

Wagestream working with Visa

WAGESTREAM, A leading financial wellness company, which gives workers instant access to their earned wages before payday, has become the first income streaming company across Europe to work with Visa delivering access to earned wages in real time, through the integration of Visa Direct, Visa's real-time push payments platform. This will give employees more flexibility and transparency into their finances and the benefit of the speed and security of the global Visa network. The move adds significant scale to Wagestream's expanding global footprint.

Peter Briffett, chief executive officer and co-founder of Wagestream, commented: "Our partnership with Visa is going to improve the flexibility of income streaming even further, by empowering our platform across Europe and allowing workers to choose which account they want to stream their money into.

"On demand access to money that has already been earned will become a right, not privilege, and it is going to play a critical role in alleviating financial stress, particularly among those on lower incomes."

Bill Sheley, senior vice president and global head of Visa Direct, said: "it's more important than ever that we find ways to support workers on the frontlines, helping them get faster access to their money when they need it in order to pay for life's necessities.

"We're proud to be working with Wagestream to offer their users more control of their finances, especially during these challenging times."

RetirementMatters launched

THE PENSIONS Management Institute (PMI) has announced the launch of RetirementMatters, a new financial education and guidance service provided by WEALTH at work. The service, which has been designed to support employees and pension scheme members approaching retirement, aims to help them understand how to make the most of their pensions and savings in order to make informed decisions about their retirement.

RetirementMatters will offer a range of options from classroom workshops and online seminars through to 1:1 guidance whether face to face, telephone or virtually, and digital content.

Gareth Tancred, PMI's chief executive, comments: "The PMI … are pleased to be able to support trustees, schemes and employers through the provision of the retirement-focused financial education and guidance service provided by WEALTH at work."

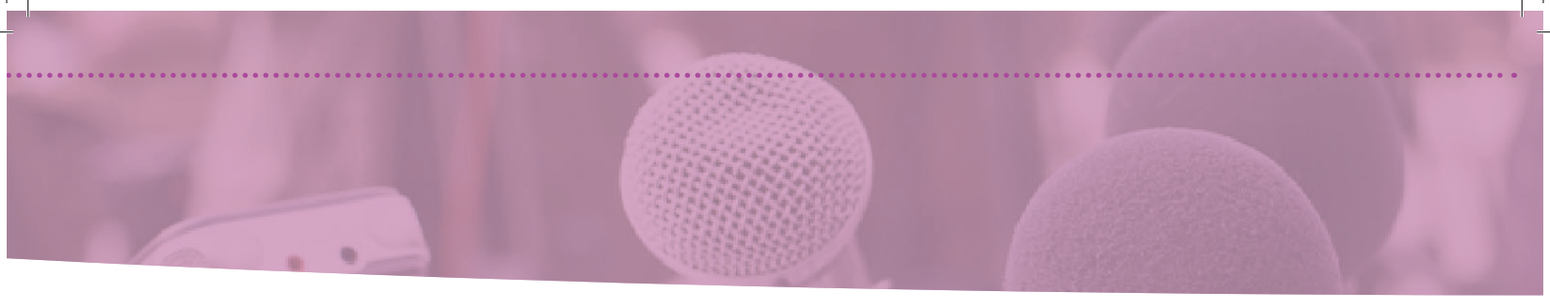
"Not only does this help us achieve our fourth objective of our five-year plan to make a difference to the economy and society, but it helps pension savers make well-informed decisions which will lead to improvements in their overall financial wellbeing."

#Giftcard500 campaign

RETAILERS AND gift card operators are supporting the #GiftCard500 campaign, launched in July, that could deliver a huge boost to Britain's beleaguered high street and safeguard thousands of jobs. The campaign, spearheaded by the Gift Card & Voucher Association (GCVA), is calling on the government to increase the tax-free employer gifting allowance from £50 to £500. The campaign is encouraging employers to use gift cards – which are now a £7 billion per year industry – to thank staff for their hard work over the past few months of COVID-19 uncertainty.

Gail Cohen, director general of the GCVA, commented: "If the tax-free limit for employee gifting was to be raised permanently, and even just a small portion of businesses took advantage of the new legislation to thank their loyal staff, millions of shoppers would have money in their pocket which, when spent, could be worth billions to struggling UK businesses just when they need it the most."

An online petition (https://bit.ly/2DD76bP) has also been launched to lobby the government to make this change.



FCA sets out its views on ESAS

SINCE IT began raising public awareness of the need for increased availability of alternatives to high cost credit, the Financial Conduct Authority (FCA) has had increased contact with firms whose propositions are related to their provision. In July, the FCA issued a statement (https://bit.ly/2PYFvV3) explaining its views of the risks and benefits of employer salary advance schemes (ESAS).

The statement notes that as ESAS are commonly promoted as an alternative to high cost credit and have a broadly similar economic effect, most of these schemes do not fall under the FCA's regulation as they do not meet the definition of credit under legislation. However, given the similarities with some credit products the FCA thought it helpful to set out its views to help employers, employees and scheme providers to make informed decisions.

The statement covers the followings aspects:

- What ESAS offer
- What employees need to consider
- What employers need to consider
- How ESAS typically work
- The risks for employees and employers
- How employers and scheme operators can mitigate some of these risks.

The FCA notes that ESAS schemes are a recent development, usually administered by specialist scheme operators who promote the scheme to a variety of both public and private sector employers, allowing employees to access, usually for a fee, some of their salary before their regular payday. Though the FCA does not usually regulate ESAS because an early advance of salary provided by an employer does not involve the provision of credit, ESAS can raise similar issues.

When used in the right way, such schemes can help employees as they can be a convenient way to deal with unforeseen expenses and occasional short-term cash flow. They are often promoted as a cheaper alternative to high-cost credit such as payday loans.

In its advice to employers, the FCA says they should consider all aspects of the scheme, both the advantages and the potential risks, when offering an ESAS. This includes matters such as the build-up of charges where the product is used repeatedly where employees might become dependent on the scheme, and the limitations of ESAS such as the short-term nature of the relief.

Although ESAS will usually operate outside of credit regulation, there are a variety of ways the schemes could be structured. Employers should give careful consideration as to whether the ESAS being provided to employees involve the carrying out of regulated activities and, if necessary, seek professional advice.

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

NATIONAL AUSTRALIA BANK APPOINTS COLETTE TIERNEY

COLETTE TIERNEY MSc FCIPP has been appointed as payroll project manager for National Australia Bank's (NAB's) London office on a consultancy basis. She joins NAB at a pivotal stage, where implementing a global outsourced system for payroll is high on the organisation's strategy agenda. Her remit is to focus on transformational initiatives, performing due diligence and exploring opportunities to produce streamlined and efficient operations.

These are exciting times for NAB, with a huge appetite for change within the current leadership team who have a focus on future-proofing NAB's payroll.

The whole human resources team are harnessing their efforts, with a shared goal of bringing about transformational operational improvements.

MBKB HAS APPOINTED ROSE HOWLEY AND HELEN HARGREAVES

MBKB LIMITED, a leading provider of payroll apprenticeships, has appointed Rose Howley and Helen Hargreaves MSc ChFCIPPdip.

Rose's role as payroll business development manager for MBKB Training is to assist with the development of services, support and training, ensuring that all sessions are delivered in an interesting professional manner, which engages the attendee and gives them an enjoyable experience.

Commenting on the exciting, challenging and rewarding role, Rose said "I am looking forward to working within the team to meet the goals and objectives of MBKB and the payroll sector.

"MBKB is a rapidly expanding organisation, developing this and the next generation of payrollers, to put our sector firmly on the map."

Helen has been appointed as the head of payroll policy role at MBKB Business Consultancy & Training to ensure currency and validity of knowledge and information, and going the extra mile for the payroll sector. MBKB is always there to offer support and guidance to their clients, apprentices and managers.

Helen commented that she is "delighted to take on this role and help guide and shape the future of payroll.

"My policy team will be there to ensure our apprentices, their employers, and of course their payroll teams, keep up to date with events in payroll during, and after, their learning has been completed. And naturally, all delivered in the unique MBKB style."

Taking stock

Andrew Drake, client development director at **Buck**, explains why now is the perfect time to review employee benefits

With the pandemic dominating the headlines, it's safe to assume that many employees are feeling vulnerable, concerned, and unsettled right now. As such, it's vital for employers to show they're thinking about their employees' wellbeing and putting their needs first.

Employee benefits have an important role to play here, but they may require some additional attention to ensure they are fit for purpose. Reviewing the benefits currently on offer is a good way to begin this process, but there are bound to be some pitfalls to avoid along the way.

Out of step

One common challenge with employee benefits is keeping them relevant, especially when there is a wide range of people to be catered for. After all, each employee will have different priorities from the next, so businesses can't simply base their benefits scheme around one group or demographic.

Instead, a range of benefits should be provided in order to satisfy different employees' individual needs. For example, given the current health crisis, most workers will want to choose from a variety of benefits that provide them with greater flexibility, financial security, and overall wellbeing.

And employers seem to be listening. Buck's *Working well* study (https://bit.ly/3kURhh7) found that 81% of businesses now aspire to achieve a culture of wellbeing at their company. This is good news, since six in ten workers (https://bit.ly/2Ya781y) now believe that their employer has a responsibility to look after their personal wellbeing.

For employers, this is clearly an important area to get right, since workers who feel their company's benefits offering doesn't align with their needs will quickly start to feel disillusioned. In fact, half of workers (https://bit.ly/2Ya781y) now say that they would leave their job if they thought a different employer might offer a better benefits package.

Perking up

For all these reasons, there is a clear incentive for employers to review their benefits schemes regularly, starting with how their current benefits are being used. Technological innovations have allowed for more advanced data analysis in this area, which means that employers can now get a very clear picture of which benefits their staff are engaging with and, more importantly, which they are not.

Taking this approach means that employers can sit down with staff – particularly those who haven't engaged with any employee benefits recently – and discuss what alternatives they'd prefer to see instead. Data analysis can also highlight if the current benefits of offer have been communicated well enough, or whether more awareness needs to be raised about the value they provide. In some cases, it may just be that more training is needed to help employees make the most of the benefits available to them.

Once this initial review is completed and changes have been made, it's crucial that employers draw up a long-term plan for reviewing these benefits regularly, as this is the only way to ensure they reflect the needs of both the business and of employees. This approach will not only help to keep staff engaged with the benefits on offer but will also discourage them from looking for a more competitive benefits package elsewhere.

> ***...clear incentive for employers to review their benefits schemes regularly...***

Keeping in touch

Without a doubt, benefit schemes that are kept up-to-date and tailored to employees' personal preferences can have a significant positive impact on the wellbeing of staff and the wider workplace. Employees will appreciate the fact that the company is thinking about them and investing in their future, which can make them feel more valued, happier, and healthier. This can, in turn, raise productivity in the workplace and also create a more social atmosphere, especially if there's a sense that everyone is pulling in the same direction.

During these difficult times in particular, taking the time to speak with staff about what they want from the company's benefits scheme can go a long way towards easing any concerns they may have and making them feel looked after.

Moving forward

Reviewing an existing benefits scheme shouldn't be something to fear, even if it hasn't been done in a while. Instead, it should be seen as an opportunity to realign the company with the goals and needs of its employees.

Data analysis can help here by identifying who has – and who hasn't – engaged with the current scheme, as well as which benefits may have fallen flat, which are most popular, and whether the value of these offerings has been communicated well enough. Employers can then use this information to create a benefits scheme that makes employees feel both motivated and valued, resulting in a happier and more productive workforce who are willing to go above and beyond for the company for the long-term. ■

Value for money

Henry Tapper, chief executive officer of **AgeWage**, says things are about to change

Getting value from pension spend is a theme I return to regularly but most employers are no clearer on the answer than they were when I started asking seven years ago. For most employers, the regular pension contribution is just another compliance cost.

Since the outcomes of the investment into workplace pensions may be forty years away, what is going on now at the National Employment Savings Trust (NEST) or Legal & General (L&G) or any other workplace pension is secondary to the smooth running of the pension interface and the maximisation of any efficiencies that can be gleaned from salary sacrifice or the tax status of the contribution structure (net pay v relief at source).

Unless you, as an organisation, run your own scheme, the capacity to do much about what is going on at any workplace pension is limited.

However, things are likely to change with initiatives from the pension regulators and especially the Financial Conduct Authority (FCA). Plans are afoot to provide pension information to employers about the value for money they are receiving from their pension provider relative to comparable schemes. So far, it is only the independent governance committees of the insurance companies which run workplace pensions that look likely to be charged with this work, but moves are afoot to align the Pensions Regulator (TPR) which looks after master trusts. If you are in a master trust and have your own special terms and/or funds, you will find your scheme will be benchmarked against others to ensure you are getting value for money.

In the consultation paper *Driving value for money in pensions* (https://bit.ly/2BMzgQC), the FCA argues (see Annex 2.6) that "the combination of the complexity of pensions products and the misalignment of incentives for employers means that the demand side of the market for workplace pensions is weak. There is limited incentive for firms to ensure that their products provide value for money for their members".

Savers have it hard, too. The FCA continues (see Annex 2.7) with "If an employee is unhappy with their workplace pension scheme, they have little option other than to continue to make contributions to the scheme, opt out and keep their pension saving in the scheme or opt out and transfer their pension saving to a new scheme".

Of course, savers do not get the option to choose their workplace pension, but they do get the option to bring pension pots together. Recent research by the *Financial Times* suggests that many consumers are being advised to move out of good value workplace pensions into poor value SIPPs (self-invested personal pensions) because they are not receiving advice to stay. Since fiduciaries cannot give advice, clear information on value for money is considered the next best thing.

So how do we define value for money? The FCA has a rather clumsy definition: "The administration charges and transaction costs borne by relevant policyholders or pathway investors are likely to represent value for money where the combination of the charges and costs and the investment performance and services are appropriate" (see section 4.14).

Even for a simple scheme like NEST, an employer's 'administration charges' might include a lot that staff don't see including payroll and consultancy costs. Add these to all the costs that impact a member's pot and it's possible to work out the 'money' side of things. The 'value' of the workplace pension could be measured either by intangibles such as the 'quality of service' that the employer and members get or by the outcomes of the investment of contributions.

Whatever the basis of calculating value for money, it is clearly a task for experts and primarily the calculation needs to be data driven. It also needs to be consistently applied (if benchmarking is to work).

This is why independence is so important and why the FCA and TPR are so hot on good governance. If value for money is to mean anything, it needs to come out of an independent assessment of what an employer is receiving.

Happily, we have a well-developed system of governance in this country which is capable of delivering independent governance not just at a macro level on a pension provider but to the granularity of individual schemes within a multi-employer framework.

In this the UK are uniquely placed, and members of the CIPP can look forward to being empowered to properly understand the value for money they get from their pension provider. Let's hope that CIPP members rise to the challenge and exert their right to get to know their workplace pension. ■

...clearly a task for experts and primarily the calculation needs to be data driven.

Pay on demand roundtable

In May, the CIPP hosted an online roundtable to discuss the emergence and development of this practice. This is the second of two instalments reporting the discussion

Jill Bonehill ACIPP, account manager, Marketing and Business Development, CIPP
Abhishek Agrawal, director of EarlyPay, Access Group
Anthony Cronin, chief executive officer and founder, Flexi Range
Jason Butler, head of financial education, Salary Finance
Jaspal Randhawa-Wayte ChMCIPP, director of product management, Payroll Solutions, Zellis
Samantha Mann MCIPPdip MAAT, head of policy and research team, and technical lead, CIPP
Katie Duxbury MCIPPdip, head of payroll services, BUPA
James Herbert, chief executive officer and founder, Hastee
Brian Sparling ChMCIPPdip, senior manager, Global Managed Payroll, Ceridian Europe Ltd

Jason Butler: I've been doing 'financial education' a long time in terms of training and educating families. People do not need financial education in my opinion. What they need is financial awareness, because for most people money is a source of pain and worry – and it goes right to their core identity.

One of the reasons why they love engaging with the app and not talking to their director or the manager or anyone else about their finances is because they think that weakness in their finances shows weakness in their individual character.

I've done a lot of work in salary financing for external organisations, and Covid-19 is just the straw that broke the camel's back. It exposes the weaknesses and flaws in how people manage money, their relationship with money and work, the role of work, and what they choose to spend their time and money on. People would rather binge-watch a Netflix series than do a free online Open University course.

So, it's not information, it's not about learning; it's about awareness and helping people find their own way, their own truth.

We've seen massive engagement with downloading the app and massive amounts of ongoing looking at it, like it's money in their wallet. And whilst I agree that gives the opportunity to politely remind people of starting to save, it's a bit like the situation where after downloading any kind of app for meditation or yoga the reminders etc get to be a bit of a pain.

Yes, there is a potential for engagement, but no one knows the right ways to get people to wake up and be aware. No one knows the answers, and a wage advance product on its own is a dangerous thing; relying on that for engagement methodology is useful, but it's not the only thing.

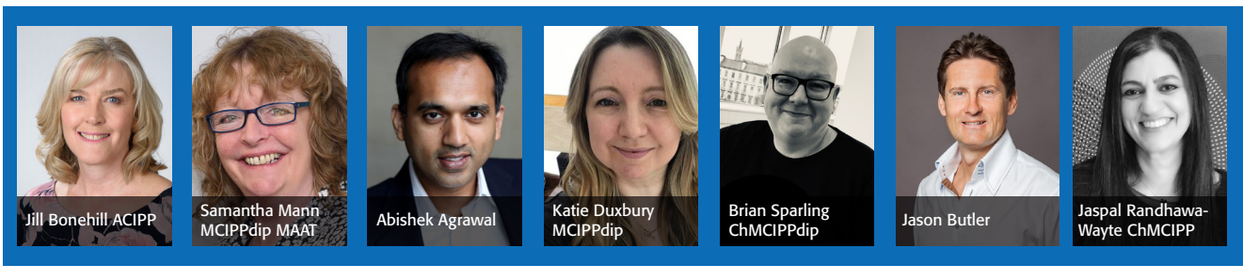
Anthony Cronin: So, rather than try to educate people and show them what they are doing, within Flexi Range we give them a choice. We allow them to determine what payroll frequency best suits their life.

I think it would be dangerous to give someone access to on-demand-pay if it's not restricted. We try to help people understand what is good for them.

Brian Sparling: It's good having controls around this: a percentage that you can draw down but also the number of times in the monthly cycle you can request an advance from pay. Do you offer advance from pay once or twice or are you going to allow any employee who has worked a ten-hour shift to have an advance if they say they want to be paid for the shift. It's about understanding your business and how it's going to work best.

James Herbert: I think it's not right for us, or human resources professionals, to tell the workforce how they should live. We need to give them an element of empowerment, how to spend their own money. But, yes, we can restrict them to a certain level. We can empower them and provide education and tools.

There are interesting studies that human beings operate on cycles by week, and we just about manage monthly. But we've only been paying people monthly since 1961. So, the motivation, the understanding, the management of funds



do not work on a monthly cycle, which is one of the reasons I think we see 4.1 average transactions a month.

Anthony Cronin: In the USA, 37% have selected fortnightly pay frequency with our app. Fortnightly seems to be the sweet spot.

I see the value of on-demand payment coming after a worker's shift. Take your money every day.

Jason Butler: The idea that advance pay avoids debt is an illusion. What it does is meet that basic human need to feel in control and safe. If you are not feeling in control and safe, you will make irrational decisions. Another thing is that an advanced pay app is a proxy for people learning how to budget, how to spend.

It's not about employers dictating and telling people how to do stuff, it's making it easy for people to develop the right, positive habits.

It's the employer's responsibility to understand what employees want. Do they want a little podcast? Would they like an alert or a little challenge?

It's about providing infrastructure, an ecosystem of products. What can we do not to make these little interventions like education or a course? Perhaps reminders to the app users when drawing down pay such as "Did you know if you save £10 of that money you're going to draw over here, and if you did that for a year, you'd have £500?"

Some people will be self-destructive with money; maybe they've got other issues going on. And there's nothing an employer can or should do to help them, to stop them self-sabotaging. But this doesn't mean you can't build an ecosystem of products, messaging, different forms of stuff.

For example, analysis by Neybar of 50,000 people through their platform asked how they prefer to be communicated with about money matters. Almost all, 90%, said email was the big thing; but if you did just emails you wouldn't do podcasts, videos, animations, nudges and alerts. But the reality is we don't always know what is going to be effective, whether educational-wise or awareness-wise. We cannot always assume that what people tell us is what they really want. None of us wanted an iPhone in 2006, but now we've all got one.

Jaspal Randhawa-Wayte: Jason's points about the ecosystem of the product having little nudges and alerts as well when a user request an advance of pay, really interests us.

I think it's a balance between what should be pushed out to users via the product, but ultimately they are responsible for their own destiny. It is their decision at the end of the day.

Katie Duxbury: I agree with a lot of the comments here even though actually some of them seem to be polar-opposite viewpoints.

As an employer you must know your people and the problem that you're trying to solve for them.

We were finding that though there were shifts available with us our carers were picking up shifts with other employers because they would get the money quicker. So, there was a business imperative here for us.

James Herbert: We've recently conducted a survey of our users and had a great response. Some respondents had been furloughed so the findings are interesting. Towards the end of the pay cycle early in March we saw a 16% spike in the number of transactions being made, which I think comes back to that safety net mentioned earlier. It's about having money to use in that time of crisis and need. Usage levels have actually declined since then as things have settled down – perhaps because stockpiling of essentials has diminished.

What we have also found is that it's not just the younger ones using the product; indeed, we've upgraded the tablet app for use by older workers. So usage is across all society and the entire workforce.

Everyone will have the option, and that control is really powerful, helping education and managing financial stress.

Abhishek Agrawal: I think it's important to understand that though we're not living from pay day to pay day, those working in the care sector or on minimum wage do. It can be presumptuous to think about what's good for them. Before we make a decision, we need to understand their situation.

Samantha Mann: Everybody around this table who provides these services is reputable. But looking ahead, as pay on demand becomes more popular and increasingly commonplace, how do we protect against the less reputable service-providers getting into the market?

James Herbert: I think the biggest threat is a bad actor coming in and undermining the industry. The key really is that we all need to take this very seriously and operate with the highest level of ethics and standards. The market is big enough for all of us.

I think that over time we will be regulated specifically rather than just aspects that we provide. How can we help develop the right regulations for this industry? We need to work with the Financial Conduct Authority. I believe this will happen over the next few years, but in the meantime I think we are just learning to operate with the highest level of integrity.

Brian Sparling: In my mind, it's about giving people tools that they can use in a way which suits them. But then we are going to find people in some cases cannot pay their bills and their mortgages; and then they might say to us as employers, or payroll providers, that we got them into this situation. We then become the next raft of claims, like PPI, like payday loans.

We should be relying on employees to act and behave like adults, but we know that sometimes that is difficult. ■

Are donated prizes taxable?

Sally Hilton CPP, director of payroll training for the **American Payroll Association**, answers this recurring question posed in the USA

A frequently asked payroll question is the following: 'My company receives many items donated by vendors and local businesses for our annual charitable campaign. We'll raise money through a raffle and employees can win these items. Must these prizes be included in taxable wages?'

Many employers will be surprised to learn that, yes, these items are taxable to the recipient even if these items were donated or purchased at a significant discount.

Internal Revenue code section 61 defines gross income as "all income from whatever source derived, including (but not limited to) compensation for services, including fees, commissions, fringe benefits, and similar items…".

The Inland Revenue Service (IRS) gave guidance, which further explains that "gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form. … Income may be realized, therefore, in the forms of services, meals, accommodations, stock, or other property, as well as in cash."

This basically translates to mean that whatever the employee receives as part of the employer-employee relationship is taxable, unless a law specifically excludes the item or benefit. There are no exclusions in the law for gifts and prizes, unless they qualify as a length-of-service award or a safety award.

Now that we understand these items are taxable, what amount should be included in income?

The amount to include in the employee's taxable income is the amount by which the fair market value (FMV) of the prize exceeds the amount the employee paid for the prize, less any amount the law excludes. Here's the formula:

FMV - EPA - AEL = IFBA

where:

EPA means 'employee paid amount after taxes'

AEL means 'amount excluded by law', and

IFBA means 'includable fringe benefit amount (included in income which translates to taxable)'

Example

An employer receives a 70" flat-screen television for free, perhaps through a donation or by using points from a corporate credit card. The television will be included in a company raffle to raise funds for a local charity. Regardless of how the employer obtained the television or whether the employer paid for it, this television has a value. Therefore, the recipient, an employee, must be taxed on the value using the formula above.

The FMV is the amount the employee would pay if he or she purchased the exact same model of television on their own. This is known as at 'an arm's length transaction'. Let's say this television retails for $750.

If the employee purchased $25 of raffle tickets for this television, the taxable value would be $725 ($750 FMV - $25 EPA - $0 AEL = $725 IFBA), so $725 would need to be added to the employee's taxable income by the end of the year in which the prize was received and reported in Form W-2 in boxes 1, 3, and 5 as well as boxes 16 and 18 if applicable. Prizes are also subject to unemployment taxes. The employer may either gross-up and pay the taxes on behalf of the employee or impute the value of the prize, whereas adding $725 of non-cash taxable fringe benefits to the employee's regular wages, withholding taxes on the combined amount, then subtracting the $725 non-cash fringe.

If the award is provided as a length of service or safety achievement award, some or all of the award may be excluded from income if certain conditions are met.

See section 3.4 – Awards and Prizes – of the APA's *The Payroll Source*, and the IRS's publication 15-B, *Employer's Tax Guide to Fringe Benefits*, Achievement Awards, for details (www.irs.gov/publications/p15b). ■

…whatever the employee receives as part of the employer-employee relationship is taxable…

This article was published in the February 2020 issue of the APA's *PAYTECH* magazine.

The American Payroll Association (APA), www.americanpayroll.org, is the U.S. leader in payroll education, publications, and training. This nonprofit association conducts more than 300 payroll training conferences and seminars across the country each year and publishes a complete library of resource texts and newsletters. Representing more than 21,000 members, the APA is the industry's highly respected and collective voice in Washington, D.C. Get more information at www.americanpayroll.org.

The Global Payroll Management Institute (GPMI), www.GPMInstitute.com, spearheads the APA's global initiatives to provide the world with a leading community of payroll leaders, managers, practitioners, researchers, and technology experts. Subscribers connect with each other through networking discussions, collaborative opportunities, and access to education and publications dedicated to global payroll strategies, knowledge, research, employment, and training. GPMI also publishes several global payroll texts and white papers as a benefit to subscribers. Get more information at www.GPMInstitute.com.

Pension contributions

The Pensions Regulator provides guidance for employers during the pandemic

This is a difficult time for employers. The pandemic has led to unprecedented challenges for everyone.

Automatic enrolment (AE) has led to more than 10,300,000 people saving or saving more for their retirement. This is thanks to 1,600,000 employers doing the right thing for their staff by meeting their pensions duties. The Pensions Regulator (TPR) wants to support employers to help them meet their AE duties so that staff continue to have the opportunity to save for retirement now and in the future.

We know that in these uncertain times, employers may have questions about their pensions' duties. TPR have published useful guidance (https://bit.ly/318XK0d) which includes information about the government's support for employers, questions around payroll processes and pension contributions, flexibilities around re-enrolment, what employers must do if staff ask to opt out or reduce contributions, as well as guidance for new employers.

● ***New employers*** – New employers should continue to assess staff and put them into a pension scheme if they are eligible. They can also use postponement which postpones their duties to assess new or newly eligible staff – and therefore to make pensions contributions – for up to three months.

● ***Maintaining contributions*** – Though these are challenging times in terms of cashflow and resources, TPR expects employers to continue making the correct pensions contributions for staff, and are monitoring this closely. Employers concerned that they will struggle to make their pension contributions, should contact their pension provider in the first instance to check if there is flexibility to change the due date for payment of employer contributions to a future date. Providers may also be able to help the employer plan to pay contributions over a longer period. Employers can also consider using the government support packages (https://bit.ly/3hlL101), which are there to help with cashflow.

> ***...employers must not encourage or induce them to choose this option.***

● ***What if staff ask to stop paying contributions*** – Some staff may choose to either reduce their contributions (if the scheme rules allow this) or opt out or cease active membership of the scheme, if they decide that is right for them at this time. However, employers must not encourage or induce them to choose this option. If staff choose to reduce their contributions, the scheme rules may allow the employer to reduce their employer contributions or retain them at the current rate.

Any member of staff who reduces their contribution below the statutory minimum, opts out, or ceases active membership, must be put back into the pension scheme at the next re-enrolment date so that they have the opportunity to re-start saving. Staff can also ask to opt back in to pension saving before that date, if they wish.

● ***Re-enrolment*** – Many smaller employers are approaching or carrying out their first re-enrolment of staff. TPR will continue to write to employers with information and support on how to carry out their re-enrolment duties and re-declaration of compliance.

Employers cannot use postponement at re-enrolment. However, those struggling to complete their re-enrolment duties on the third anniversary of their staging date or duties start date due to the coronavirus pandemic, can assess staff at a later date up to three months after the third anniversary of their staging date or duties start date.

● ***AE duties for furloughed staff*** – As with all other staff, AE duties for furloughed staff apply as normal, and employers will assess them based on the amount of money they are paid. This means that if an employer has agreed to reduce their pay, they will be assessing them based on the reduced amount.

If a member of staff meets the criteria to be put into a pension scheme, they must be enrolled whether they are furloughed or not, or the employer can also use postponement. If a postponement period ends during the furlough period, and the worker meets the criteria to be put into a pension scheme, the employer cannot use postponement again and must put them in.

If a worker turns 22 during the furlough period and their earnings mean that the criteria to be automatically enrolled are met, the employer can put them into their pension scheme or delay this for up to three months by using postponement.

The effect of reducing the pay for a furloughed member pay may mean that they will not meet the criteria to be put into a pension scheme during the furlough period. When their pay increases after the furlough has ended, the employer must continue to assess them and enrol them if they are eligible. ■

More information

More information, including technical guidance for employers and their advisers can be found on our covid-19 pages (https://bit.ly/318XK0d).

To ensure employers have the support and up to date information they need as they navigate the challenges ahead, TPR are continually reviewing and updating their guidance to respond to developments. Employers should check this guidance regularly.

Status, deductions, dismissal

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

Gorman v Terence Paul

In this case, the employment tribunal (ET) ruled that a hairdresser was an employee, not self-employed, due to the level of control asserted by the organisation.

'Employment status' refers to the arrangements under which an individual is engaged to work for an organisation. Correctly labelling staff in accordance with their status is important in identifying the rights they are entitled to. Employees are those who are hired directly by an organisation. Workers are also hired by an organisation but have more freedom in the work they do and when they do it, such as casual, agency or freelance workers. The genuinely self-employed are those who conduct work for an organisation but have full control over how they conduct it, such as independent contractors.

This case concerned a hairdresser who was engaged by an organisation to conduct work on their premises. Her contract outlined that she was a self-employed contractor, but the organisation exercised a great deal of control over her working day. After working for the organisation for six years, the claimant argued that she had been denied a number of rights as she had been falsely labelled self-employed. She also wanted to pursue numerous claims against the organisation, including wrongful dismissal and sex discrimination.

In order to hear her claims, the tribunal first needed to consider if the claimant could be considered an employee, and not self-employed. The claimant's main arguments rested on the degree of control the organisation had over her: she had to work fixed hours from Monday to Saturday, had no control over pricing, had to conform to their standards of dress, use their products exclusively, and also needed their permission to take time off. Despite this, she was not paid any holiday pay and had to provide 67% of her takings to the organisation.

The organisation countered by stating that all hairdressers engaged by them did have control over the hours they worked. In their words, hairdressers could decide what treatments they provided, as well as control when they took holidays.

Ultimately, the tribunal agreed with the claimant, finding that the degree of control exercised over her by the organisation meant that she was, in truth, an employee despite her contract label. Going forward, the claimant is free to pursue her claims as an employee, but it is currently unknown if the organisation will pursue this matter to the employment appeal tribunal (EAT).

It does not matter what an original contract states, because in situations where employment status is in dispute tribunals will always look to address the truth of the relationship. The level of control, which was crucial in this case, can work against the argument that an individual is self-employed. Whilst we have seen cases where such discrepancies are deliberate, sometimes it can be the result of honest mistakes.

...tribunals will always look to address the truth of the relationship

HMRC v Ant Marketing Limited

In this case, the EAT provided guidance on situations where deducting wages for training costs and accommodation expenses could put organisations in breach of national minimum wage (NMW) law.

As outlined in the National Minimum Wage Act 1998 and clarified by the National Minimum Wage Regulations 2015 ('the Regulations'), workers must be paid at least the current rate of the statutory NMW. An example of where the law is breached is outlined within regulation 13 of the Regulations, which states that deductions made for expenses associated with their employment, for example the purchase of uniforms, should not put wages below the NMW.

In contrast, as outlined in regulation 10 organisations can deduct an amount from

employee wages to provide them with accommodation, subject to a statutory cap (otherwise known as 'accommodation offset') and not be in breach of NMW law.

Ant Marketing Limited (AML), a telemarketing business, required all new operatives to undertake mandatory, paid induction training. Due to the expense of this training, operatives were expected upon commencement of employment to sign a training agreement which instructed they would remain in the service of AML for at least twelve months. If the operative left before this period ended, or did not complete the training, they would be liable to repay some of the training costs.

Some of the workers for AML were also tenants in a number of local flats, which, although not owned by AML, were owned by a separate company with the same managing director. As a result of this, some of the workers asked for their rent to be deducted from their wages and paid to the separate company. The organisation was later issued with NMW underpayment notices by HM Revenue & Customs (HMRC) as a result of the deductions for training fees and accommodation costs. AML appealed to the ET against the notices.

When considering the training deductions, the ET dismissed AML's appeal, because these fell within the remit of regulation 13. As the training was a mandatory requirement for the operatives, it was therefore the same as if they had been asked to purchase and wear uniforms to conduct their role.

The appeal was upheld, however, when looking at the accommodation issue. Although the rent paid through deduction did exceed the accommodation offset cap, the crucial point was that the flats were not technically owned by AML itself, but a separate company owned by its managing director. Both AML and HMRC appealed against the two rulings respectively.

AML argued that the ET had misinterpreted regulation 13, disputing that recouping training costs was a deduction. However, the EAT upheld the tribunal's ruling and agreed that the training was mandatory, meaning it was no different to essential tools or uniform needed to conduct a role.

In relation to the accommodation issue, HMRC argued that the ET should have taken a 'purposive' approach to the interpretation of regulation 10. The EAT also dismissed this argument, finding that if they were to interpret this regulation the way the HMRC outlined, they would have been effectively re-writing the legislation.

This ruling sends a clear message regarding the issue of recoupment of training costs, that NMW law could be breached if the training is deemed essential to the role. This will depend on the circumstances of each case and organisations should proceed with care in these situations.

Tai Tarian Limited v Howell Lyn Christie

The EAT has ruled that the ET erred by finding evidence from an external witness was unreliable and in finding the decision to dismiss unfair.

Under the Employment Rights Act 1996, in order to demonstrate that the decision to dismiss an employee is fair, the employer needs to clearly show the reason for the dismissal. It also needs to be established that the employer's actions leading up to the decision to dismiss fell inside the 'band of reasonable responses' to the situation.

...proceed with care when relying on evidence from anonymous sources

The claimant in this case had worked as a carpenter for the organisation for fourteen years. The employer, Howell Lyn Christie (HLC), was informed by a client that the employee had made a number of homophobic remarks whilst on a job in their property. This included him allegedly telling the story of how a junior employee had been trapped in a room with a homosexual male whilst working for another client, and how the claimant had kept him in there for his own amusement.

Two separate interviews were conducted with the client that had made a formal complaint, and the claimant was suspended. At an investigation meeting, the claimant denied the allegation and was not given any information as to who the client was. He continued to deny the allegations, claiming his role as a foster carer may have made a parent want 'revenge' against him.

The claimant was later dismissed for gross misconduct, with the investigating officer only referring to the second interview from the client in making the decision.

On appeal, the claimant cited character references that he believed proved he was not homophobic. He also called into account discrepancies in the two statements from the client, stating these made the evidence unreliable.

The decision to dismiss was upheld, with HLC's appeal officer noting that although she did not believe the claimant was homophobic, this did not mean the incident did not take place. One of the main reasons behind this decision was that the client had been aware of the story concerning the junior employee; she questioned how else she would have known this. Crucially, she had attempted to interview the client herself but had been refused this.

The ET upheld a claim of unfair dismissal. HLC's decision had ultimately fallen outside the band of reasonable responses by persisting in relying on an anonymous account, despite the fact that there were discrepancies in the two statements from the client, and the client had refused to provide further evidence.

HLC appealed on a number of grounds. The EAT upheld the appeal, labelling many of the tribunal's findings as 'perverse', and remitted the case to a fresh tribunal.

To the EAT, the ET had concluded that because the appeal officer did not believe the claimant was homophobic, she must not believe he had made the comments. This did not necessarily follow, and the tribunal had failed to provide an explanation as to why her belief could not be genuine. The EAT also took issue with the argument that the reliance on the client's statements, without having further evidence from her, was unreasonable – the client had simply refused to provide evidence at that time, and the ET had failed to consider if she would have not done so later.

Organisations should proceed with care when relying on evidence from anonymous sources. Whilst this case went the way of the employer for now, the new ET may still, after reassessing the facts, conclude that it was unreasonable for the employer to make the decision that it had. ■

Job retention bonus – the key facts

Danny Done, managing director of **Portfolio Payroll,** outlines salient eligibility and operational issues, based on government guidance published in July

The government's *Plan for Jobs,* released on 8 July 2020 (see the article The Summer Economic Update in this issue), includes a job retention bonus (JRB) to provide additional support to employers that keep their furloughed employees in meaningful employment after the coronavirus job retention scheme (CJRS) ends on 31 October 2020.

The JRB is a one-off payment of £1,000 for every furloughed employee who meets the eligibility criteria. An employer receiving the JRB must include the amount as income when calculating taxable profits for corporation tax or self-assessment.

All employers, including recruitment agencies and umbrella companies, that furloughed staff are eligible for the JRB.

At this stage there appears to be no limit either on the number of employees for whom the JRB can be claimed or on the size of the employer.

Employers will be able to claim the JRB from February 2021 via GOV.uk. More information will be published in September 2020.

The JRB can be claimed for employees who:

- were furloughed and had a CJRS claim submitted for them which meets all relevant eligibility criteria for the scheme
- have been continuously employed by the company from the time of its most recent claim for that employee until at least 31 January 2021
- have been paid an average of at least £520 a month between 1 November 2020 and 31 January 2021 (a total of at least £1,560 across the three months). The employee does not have to be paid £520 each month but must have received some earnings in each of the three months that have been reported via RTI. Only earnings recorded through RTI records will count towards the £520 minimum limit. More detailed guidance on this will be published in September 2020
- are not serving a contractual or statutory notice period, which started before 1 February 2021, for the employer making a claim.

Also within scope of the JRB rules are office holders, company directors and agency workers, including those employed by umbrella companies.

Employers can claim the JRB for employees on fixed-term contracts that are extended or renewed provided that continuity of employment is not broken, and all other criteria are met.

They will also be able to claim the JRB for employees who were transferred to them under 'TUPE' (transfer of undertakings protection of employment) law provided that they, as the new employer, furloughed the employee and successfully made a claim under the CJRS for them. This also applies to employees of a previous business who transferred to the new employer where the PAYE business succession rules applied to the change of ownership. In both cases, the employees must have transferred on a date which falls by the end of the CJRS (i.e. 31 October 2020). Employers cannot claim the JRB for any employee who transferred after this date.

Under the CJRS, a cut-off date of 10 June 2020 operates after which no employee could be furloughed for the first time. However, those on maternity, paternity, adoption, shared parental or parental bereavement leave which started before and ended after 10 June were exempt from the cut off, as were those employees who were on a period of mobilisation with the Reserve Forces which started before and ended after this date. Employers can claim the JRB in relation to these employees whose furlough started after 10 June 2020, provided all other criteria are met.

To prepare for claiming the JRB, employers should ensure their:

- employee records are up-to-date, and are accurately reporting details and wages in their RTI full payment submission returns, and
- claims to the CJRS have been accurately submitted and that they have notified HM Revenue & Customs (HMRC) of any necessary amendments to them.

Failure to maintain accurate payroll data may jeopardise a claim so it is important for employers to keep their payroll up to date and address all requests from HMRC to provide missing employee data in respect of historic CJRS claims

HMRC will withhold payment of the JRB where it believes there is a risk that CJRS claims may have been made fraudulently or inflated, until they have completed an enquiry. Where a claim to the CJRS was incorrectly made, the JRB will not be paid. ■

...one-off payment of £1,000 for every furloughed employee who meets the eligibility criteria.

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The future of payroll

Karen Thomson ChFCIPP MSc Dip FHEA, partner and head of payroll at **Armstrong Watson**, outlines her bright and exciting vision

Writing about what payroll might look like in the future made me think about from where it has come. Obsolescent NICs (National Insurance contributions) stamp cards – a bit before my time – to Kalamazoo sheets – definitely in my time – and then the revolution of computers. I recall life without the internet and mobile phones and, indeed, computers, but the world is a different place now. I see payroll being in a different place in the future.

Payroll has always been a transactional process, full of potential compliance pitfalls and even now it has many transactional processes; and to be fair, most if not all can be now processed via payroll software. Software can vary in capabilities, but knowing that payroll will continue to evolve it is only right we ensure we are future proofed sooner rather than when it is too late and we are left behind.

Currently I use a server-based product which has served the bureau and employers well, and I remember the early days of 'the cloud' and wondering whether it was secure and where exactly did it go to and come from? Recently, like many users of payroll software, it has been time to review what we use to ensure we are as future proofed as possible. For me that means moving into the world of cloud-based software, as it offers the following to name just a few.

It's eco-friendly using cloud technology, allowing us to access payroll software anywhere and from any device and any time. This is very important, and although my team were able to work from home at a moment's notice for lockdown, it was only because Armstrong Watson has a strong IT team and infrastructure using VPNs (virtual private networks) that this was possible. With cloud-based technology it would have just been there. It can be accessed in real time and by our clients. It has various protective security features to ensure data is safe. It can allow a bureau to continue to grow as the payroll software will grow with us.

With server-based software year-end updates or enhancements (with any bug fixes) involves a software upload with back-ups etc. Where truly cloud-based and innovative, payroll software can offer agility to not only be proactive with new legislation but also reactive to urgent processes such as supporting payroll departments/agents with COVID-19 job retention scheme calculations.

In reviewing our payroll software, I admit to being amazed by the volume of newcomers to the market. So many whizzy features, colourful (I do like pink) and modern. One I really like uses avatars for some of its guides and features; so fun, as well as practical.

I see payroll bureau offering more support to clients by way of human resources (HR), such as contracts of employment. Having this all in one cloud-based system will be a real benefit. Although having separate payroll and HR systems might be the way to go, using new technology such as API (application programming interface) or equivalent is seamless to the user and/or clients. I also see self-service becoming the norm with full paperless processes; oh, for that day!

It is all well and good to have great software to take care of the transactional churn and to embrace AI (artificial intelligence), but what will we do with ourselves if the computer does it all? Now this is where I see a very bright and exciting future for all payroll professionals. I believe payroll professionals can add a massive amount to any business and/or clients if an agent. We eat, sleep and breathe compliance. We are constantly learning and reviewing what we do all the time. We are fantastic at adapting to change; how many employers said payroll processing could never work from home? Well, it is a good job we proved the sceptics wrong or our heroes would have been working for nothing during the pandemic.

With our expertise and knowledge, we can be advisors in many areas such as:

- benefits in kind
- PAYE income tax
- NICs
- family policies
- termination packages
- employee well-being benefits
- national minimum wage compliance
- payroll process health checks for the businesses and/or clients
- helping clients/employees move away from paper which will improve the carbon footprint
- financial well-being being incorporated into payroll offerings
- budgets for forecasting to aid the business
- being creative and thinking outside-the-box (because we often have to)
- helping businesses deal with change
- communication via articles, blogs, webinars and more.

The above is just an outline, a snippet of my vision of where payroll will go, but really the sky is our limit and I am looking forward to embracing what is coming next. ◻

...what will we do with ourselves if the computer does it all?

The opportunity in crisis

Jaspal Randhawa-Wayte ChMCIPP, director of product management, payroll, at **Zellis,** explains why the pandemic has created unprecedented

The crisis will force change in many areas, but we shouldn't just look at it from this perspective. We should also look at it as an opportunity to accelerate positive developments in payroll which, for many organisations, were already in motion.

● *Adoption of cloud payroll systems* – It may come as a surprise to learn that in last year's CIPP *Future of Payroll* report, just 25% of organisations said their payroll software was hosted in the cloud. It would be more surprising if we don't see this figure increase significantly over the next few years, as COVID-19 has done a lot to expose the limitations of on-premises software.

In particular, the 'new normal' of remote working will make it difficult for organisations to persist with technologies that require their payroll teams to be on-premises to use them, unlike with cloud systems that can be accessed flexibly and reliably from anywhere with an internet connection.

Of course, moving to the cloud can confer further benefits to organisations and their payroll teams as they navigate this indeterminate period of business uncertainty. Critically, it can help cut down on unnecessary expenditure by removing the cost of physical infrastructure. It can also provide high levels of scalability and resource optimisation (particularly in the case of the public cloud), so organisations only pay for the computing power they actually use.

For payroll teams, the cloud can solve another challenge exacerbated by the crisis: the need to quickly implement software upgrades developed in response to emergency measures such as the furlough scheme. Difficulties in accessing these upgrades can force payrollers to use manual workarounds, such as spreadsheets, which are more time-consuming and prone to costly errors.

So, while an on-premises solution may be the traditional choice for payroll teams, the need for greater agility and cost-efficiency could make an industry-wide shift to the cloud inevitable.

● *Payroll and the employee experience* – Despite being one of the only functions which directly affects every staff member in an organisation, payroll has not always been considered central to the employee experience. The crisis represents an opportunity to change this perception.

It's more important than ever for there to be a timely exchange of information between employees and the payroll department. Payroll teams need this information to ensure individuals continue to be paid accurately as their circumstances change due, for example, to being furloughed or taking emergency time off. At the same time, employees need easy access to their pay and benefits information to improve their financial awareness and wellbeing, especially during these uncertain times.

At the heart of this information exchange is an effective self-service system, which allows employees to conveniently view their payslips and benefits statements in their own time, as well as update their own information. This in turn makes life easier for payrollers and human resources managers.

Facing a likely recession there may be an opportunity for pay, pensions, and benefits professionals to play a more proactive role in employee financial wellbeing – and the employee experience as whole – through learning and support initiatives. In fact, research from Willis Towers Watson revealed that nearly half of organisations have increased their pay and benefits communications as a result of the crisis.

● *Business continuity and resilience* – COVID-19 has put a spotlight on the issue of business continuity and resilience and it's likely that many organisations didn't believe payroll could be shaken up in such a way. According to our research (see Issue 61, page 12 of June issue of *Professional* magazine), 44% worry about their ability keep their processes running accurately and on-time.

Do organisations have in place the right contingency measures and support structures in case the crisis is protracted, or similar events occur again? Our research indicates a sizeable number don't, as 39% say they need to develop more robust business continuity plans in response to the pandemic. This will likely involve identifying the right partners for emergency advice and outsourcing, especially as even very large organisations only have small payroll teams. If just one or two team members became unable to work, it could suddenly put payroll continuity at risk.

Another important way to build resilience is to explore opportunities to automate tasks, thereby cutting the time taken to deliver large pay runs, lifting some of the burden off already pressured payroll teams. Again, there are signs that payroll teams will embrace this opportunity, as 27% said they would push for more automation in their operations.

Overall, a third (32%) of organisations said COVID-19 will have a long-term impact on how they conduct payroll operations. The real task ahead for payroll teams is determining how best to manage the impact in a way that not only protects their day-to-day duties but also opens the door for real – and perhaps long overdue – transformation. □

...more proactive role in employee financial wellbeing...

Future of payroll report

Vickie Graham DipM ACIM ACIPP, CIPP's business development director, reveals and comments on survey results

The CIPP recently ran our third *Future of Payroll* survey to provide an insight into what payroll might look like in the future. The timing of this year's survey was particularly interesting as it coincided with the COVID-19 pandemic, which has impacted people's attitudes towards technology and remote working.

The full report has been issued as part of the National Payroll Week celebrations for 2020 and is available on our website. We are also hosting a future of payroll roundtable on 7 September and will produce a summary of the discussion within a future issue of *Professional* magazine.

Our approach to the *Future of Payroll* survey changed slightly for 2020, and we focussed on four main areas, see below.

The survey generated a fantastic response with 441 individuals participating, representing in-house payroll professionals (56%), payroll service providers (28%) and individuals who engage payroll services (16%).

How will technology enhance the payroll profession?

Artificial intelligence (AI) and automation have been topics of debate within payroll for a while. Historically, these may have caused worry that this enhancement in technology could impact on jobs within payroll, especially as 86% of respondents agree that use of AI and automation will increase within the profession. Positively, despite this, 68% of respondents stated that they see this as an opportunity for payroll professionals to show their strategic value and that payroll is more than the transactional 'push of a button'. Some 43% said that though the introduction of AI and automation would not impact the number of jobs in payroll, it would change the role payroll plays within businesses. This theme is addressed more in other areas, such as below in 'Skills of payroll professionals and job roles of the future'. In addition, 78% of people stated that these advancements would make the payroll team more effective; and 62% said that they could see how technology would reduce costs associated with payroll.

There is a fairly even split between where payroll systems are hosted, with 37% stating in the cloud, 37% onsite and the remaining 26% hosted on a client server. Anecdotally, we are seeing that there is more interest in cloud-based software since the lockdown, and through conversations with members, and projects in consultancy, we are seeing that payroll professionals are looking to change solutions as a result.

Although traditionally payroll is an area which has seen little investment in technology, this is a trend which is changing as 63% of respondents stated that they are looking for specialist payroll software which integrates well with other specialist software such as time and attendance or expenses.

Salary strategies of the future

This area focusses on new and innovative methods and frequencies related to pay to keep employees engaged and motivated. It is a generally recognised fact that employees go to work to get paid but pay has become more than the amount paid into a bank account once a month.

With five different generations in the workforce, pay and reward mean different things to different people. It's a theme we explore within the 'Future of working' section of the report as employees want greater flexibility of hours and working patterns.

Surprisingly, given the introduction of pay gap reporting in recent years, 59% of respondents stated that they believe that total compensation packages should be confidential. However, 36% stated that they have salary bandings which employees have visibility of, and 5% have a 'set your own' salary strategy. It will be interesting to see how this develops over the years.

Set-your-own-salary appears to be more popular in start-up organisations and requires employees to review the market place and salaries for similar roles, in line with the actual (or projected) revenues and profit margins of the business in which they are working. This supports businesses in attracting talent which otherwise may not have been interested in working for them. But is it a viable strategy long-term and for established businesses?

Whatever your views regarding pay transparency, it is something that employees are starting to demand; and as we will never stop employees discussing pay and remuneration, maybe it is something that helps improve morale if adopted within business? This topic will also be of interest to the government as they seek to reduce pay gaps related to gender, ethnicity and disabilities.

Pay on demand is another theme explored within this area of the report. Although a hot topic in recent years, pay on demand is only offered by 3% of respondents; just 12% stated that it would be attractive to employees within their organisations, and 52% answered 'maybe'. Despite being a hot topic for some years,

...payroll is more than the transactional 'push of a button'.

there are many unanswered questions regarding how pay on demand works in practice. In addition to which, there is a concern that this causes a perpetual cycle of debt and, if offered, financial advice should be provided alongside.

...a shift towards technology processing payroll and payroll professionals taking on the 'human role' of payroll...

The future of working

Unsurprisingly given the timing of the survey, 67% of respondents stated that they have seen an increase in flexible working requests, with 82% stating that these requests are for the ability to work from home. The *Future of Payroll* survey was distributed in May of 2020, at least eight weeks into the national lockdown, which prompts the question whether these percentages would have been so high had we not all been 'forced' to work from home? A question to which we will never know the answer.

What is apparent, however, is that payroll can work from home if technology allows. Meaning that the future of working and how technology will enhance the role of the payroll profession are intrinsically linked.

People are also seeking to have flexibility in the hours they work, be that requests for compressed hours (working more hours on fewer days) – 51% – or flexible working within set core hours – 74%. This is supported through wider reading and research which suggests that Millennials and Generation Z workers are motivated by a better work-life balance than has previously been expected by other generations in the workplace.

There has been an emergence of different ways of working, with the advancement of the gig economy and more people working to zero-hour contracts to enable the flexibility that they seek. It seems that, as time progresses, and individuals are encouraged to balance their home and work life, the standard 9-5 role may become obsolete. This won't happen overnight and will require cultural change across many organisations for it to work effectively.

It is also becoming apparent that salary alone is not a motivator to attract and retain employees. The survey showed a range of benefits offered as part of the overall reward package offered to employees, including:

- childcare vouchers (80%)
- tea and coffee in the workplace (74%)
- cycle to work scheme (66%)
- salary sacrifice (56%)
- free car parking (54%.)

This section of the survey also asked payroll professionals for their views on Matthew Taylor's *Good Work Plan,* which seeks to protect millions of vulnerable workers – perhaps quite timely given recent global events. When asked what they would like to see to make employment fairer, the overwhelming majority (71%) stated more security for zero-hour workers, higher national minimum/living wage (58%), and more rights for 'workers' not deemed employees (41%). The latter is perhaps supported by the fact that payroll professionals would like to see the so-called IR35 rules simplified moving forward (74%) – a topic which will raise its head again as we come out of the current pandemic.

Skills of payroll professionals and job roles of the future

Payroll professionals are used to keeping their knowledge and skills up to date. For this survey, to establish how the profession is changing, we asked which skills you plan to update within the next two years. Again, the timing of the survey may have influenced the results, but it was interesting to see that 56% said they would seek to update their remote working skills (37% said remote management). Whilst this is no doubt a result of lockdown and payroll professionals having been forced to work from home, it is also supportive of the flexible working requests and shift in working patterns to accommodate improved work life balance.

Other skills mentioned include:

- technological skills relating to automated business processing (55%)
- leadership skills (51%)
- communication skills (50%)
- data analytics (47%)
- report writing skills (38%).

I think that it is clear from the areas in which development is sought, and linked to other areas within the report, that there is a shift towards technology processing payroll and payroll professionals taking on the 'human role' of payroll – responding to queries, leading the team and payroll strategy, analysing data and communicating recommendations. This was supported through asking 'Do you think that as technology improves, payroll professionals will take on more of an advisory role within the business, focussing more on maintaining compliance?', to which 84% of respondents said 'Yes'.

Worrying, only 41% of respondents stated that there is a succession plan within payroll. This is consistent with previous years and therefore suggests that little has been done to address this since the first *Future of Payroll* report in 2018.

What has improved is payroll's representation at board level, with 60% of payroll professionals saying that there is such representation within their organisation. However, this tends to be either via the finance director (28%) or the HR director (22%), with the remaining 10% being a payroll director at this level. ■

Many thanks to our *Future of Payroll* sponsors

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Useful contacts directory

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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
Email: consult@cipp.org.uk
Website: www.cipp.org.uk

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

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

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

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

COMPLIANCE AND QUALITY STANDARDS

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

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

FULLY MANAGED OUTSOURCED PAYROLL SERVICES

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

Frontier Software'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.
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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.

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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.

INTEGRATED PAYROLL AND HR

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.

Frontier Software
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Tel: 0845 3703210 Contact: Sales Department
Target Employee Range: 50+
Email: sales@frontiersoftware.com
Website: www.frontiersoftware.com

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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PAYROLL BUREAUX

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

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Tel: 0845 3703210 Contact: Sales Department
Target Employee Range: 50+
Email: sales@frontiersoftware.com
Website: www.frontiersoftware.com

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
- Minimises administration and infrastructure costs
- Unlimited helpdesk support from team of software experts
- Employee self service option for payslip delivery

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 SOFTWARE

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.

Frontier Software
63 Guildford Road, Lightwater, Surrey, GU18 5SA
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Email: sales@frontiersoftware.com
Website: www.frontiersoftware.com

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

- All payroll parameters can be user defined according to requirements
- Compliance with payroll rules and regulations including RTI and auto-enrolment
- Automated calculation and payment for holiday, sickness and maternity
- Integration with finance and other systems to save time and avoid duplication of effort

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

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

Useful contacts directory

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 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.

Moorepay. Making payroll & HR easy.

Intelligo
78 York Street, London, W1H 1DP
Tel: 0800 0390116 Fax: 0800 0390117
Contact: Fiona Cullinane
Email: sales@intelligosoftware.com
Website: www.intelligosoftware.com

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

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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.

PAYROLL TRAINING AND QUALIFICATIONS

Chartered Institute of Payroll Professionals
Goldfinger House, 245 Cranmore Boulevard, Shirley,
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Tel: 0121 712 1000
Email: info@cipp.org.uk
Website: www.cipp.org.uk

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

PAYSLIP DISTRIBUTION AND ARCHIVING

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

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

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Tel: 020 377 33 277
Email: info@paydashboard.com
website: www.paydashboard.com

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

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

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

RECRUITMENT AGENCIES

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

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

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

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

HAYS Recruiting experts in Payroll Management

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.

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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.**

PORTFOLIO PAYROLL LTD

TIME AND ATTENDANCE

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

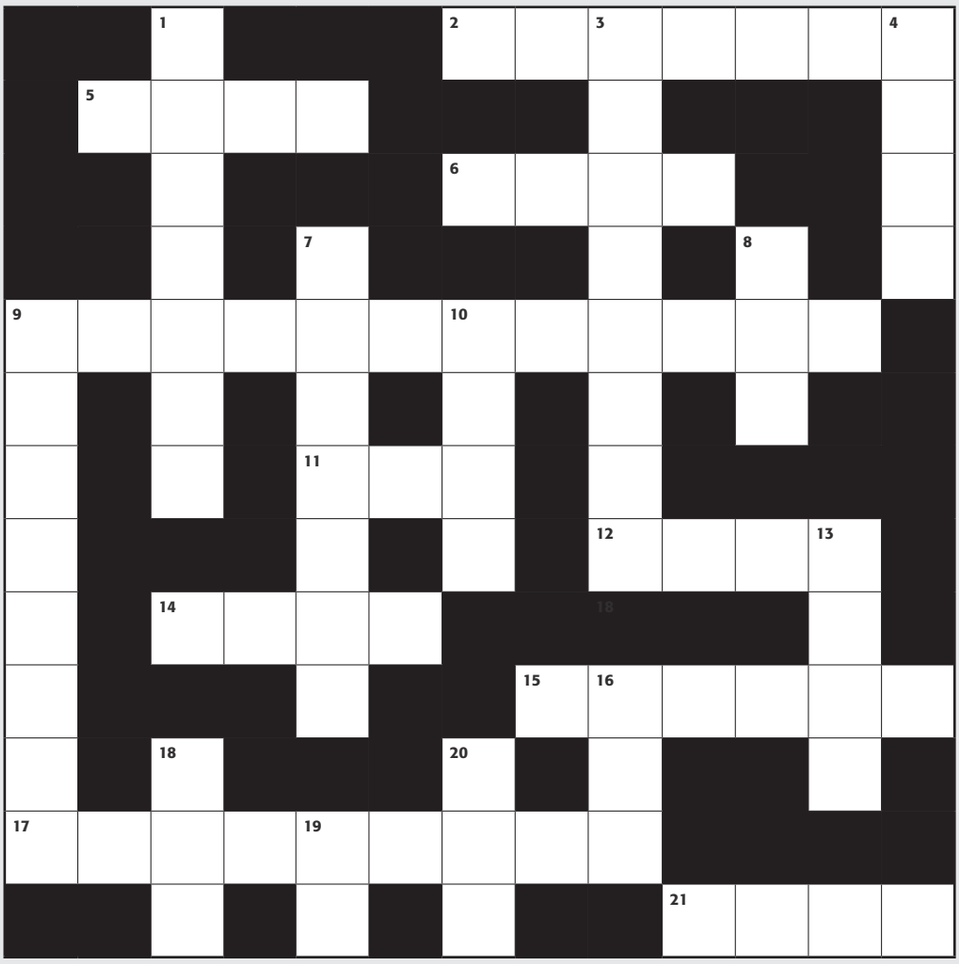
With TA21 Time & Attendance software users benefit from access to working hours for all employees regardless of individual work patterns and can quickly identify issues in particular areas. TA21 provides all the control and information needed to effectively manage employee attendance – with the minimum 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

Frontier software
Human Capital Management & Payroll Software/Services

NPW crossword

To celebrate National Payroll Week, Samantha Mann MCIPPdip MAAT, CIPP's policy and research technical lead, compiled this crossword featuring payroll-related answers, some of which are abbreviations.



ACROSS

2 To make people obey the law
5 Payment in the past
6 Activity, quite often in return for money
9 Certainly not amateur
11 To give money in exchange for goods or services
12 UK tax authority*
14 A number issued to help account for tax and National Insurance*
15 Given in exchange for good work or behaviour
17 Decided or controlled in law
21 52 may be needed for calculating holiday leave

Please note that any clue marked * denotes the answer is an abbreviation/ initialism (e.g. SSP)

DOWN

1 List of people employed and amounts each is being paid
3 A period of lay-off for a minimum of three weeks
4 To receive something you deserve, in monetary terms
7 Being carefully taken care of
8 Government levy
9 Payment made in retirement (plural)
10 Tax efficient savings scheme*
13 Temporary government measure to support jobs*
16 5 April each year*
18 The Chartered Institute's accreditation scheme*
19 Scotland, England, Wales and Northern Ireland make up this monarchy*
20 A deduction from earnings which can be priority or non priority*

ANSWERS

Across – 2 enforce; 5 paid; 6 work; 9 professional; 11 pay; 12 HMRC; 14 NINO; 15 reward; 17 statutory; 21 week
Down – 1 payroll; 3 furlough; 4 earn; 7 keeping; 8 tax; 9 pensions; 10 SAYE; 13 CJRS; 16 EOY; 18 PAS; 19 UK; 20 AOE

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The ultimate goal of payroll transformation? Making people feel appreciated for the work they do.

Discover Zellis HCM Cloud at www.zellis.com

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