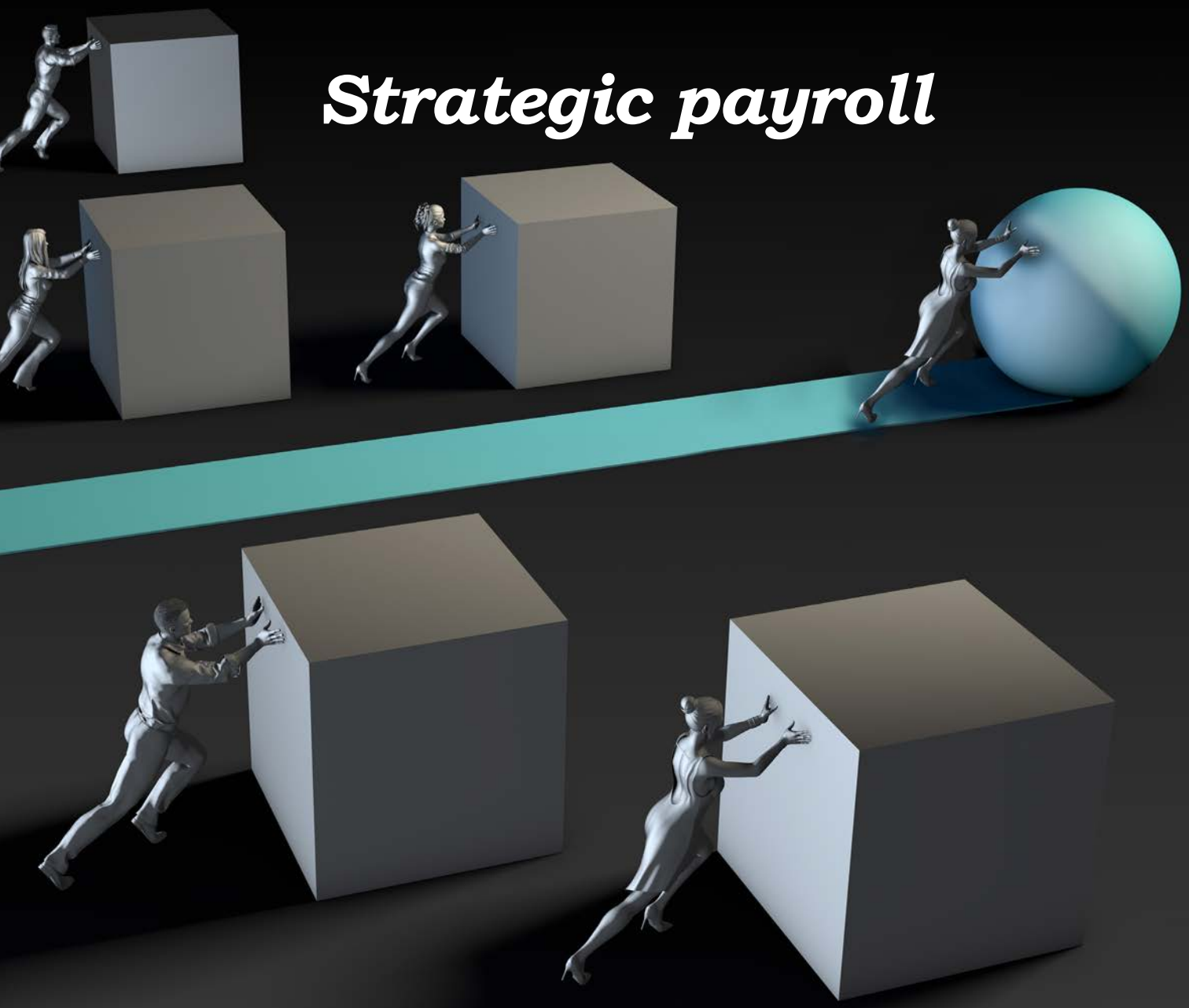
Official publication of The Chartered Institute of Payroll Professionals

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 65
November 2020



Strategic payroll

Will RPA help you be more strategic?
Being more productive

The strategic value of payroll data
Realising potential

Future of payroll roundtable
Moving forward

+ CIPP UPDATE | POLICY HUB | PERSONAL DEVELOPMENT

40 cipp 40 YEARS OF LEADING THE PROFESSION

"However beautiful the strategy, you should occasionally look at the results."

Sir Winston Churchill (1874–1965) (https://bit.ly/33RLDGg)

Editor's comment

Annually I prepare a features list for the ten issues of the magazine for the next calendar year. When in 2019 I prepared the 2020 list, it was absent foreknowledge of a pandemic and the impact it would have on life and work, particularly the payroll profession; yet, I listed 'strategic payroll' as the feature topic for this November issue; an almost prescient coincidence. There are several articles on strategic payroll throughout this issue, providing direction and opinions of a diverse group.

On pages 15–17, you'll find comments, views and predictions of participants in the National Payroll Week future of payroll online roundtable. It was a privilege to attend and hear how these industry luminaries see the profession, industry and technology developing, in light of the pandemic. I hope their comments and views resonate with you, too.

Mike Nicholas

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

Chair's message

I hope this finds each of you safe and well and adjusting to the new ways of working.

Whether you are running in-house or an outsourced model, and whether you are a local, national, international or global business, you can benefit from having a payroll strategy. The very process of sitting down and considering the people, process and technology that is in place and how it operates today and what you expect of it in the future will help to shape your thinking. Whether you wish to change anything – and, let's face it, the one constant is change – then knowing what you have within the payroll arena, the cost of service, the value of the service and the future of the service are all valuable to you as a manager.

The skills and competencies of your team, their development requirements and horizon scanning for the skills needed in the future, are key items for review to staying ahead and relevant. Being the custodian of one of the largest costs of a business (employment costs) then also knowing the headlines and details of the payroll, pension and total reward package costs are very valuable when considering future strategies that the business may have. For anybody wanting to influence key decision makers when it comes to investment choices, then knowing your data is essential to support securing investment for future objectives.

Just as a business should have a business plan, so too should the payroll service provision that supports it. Growth markets, mergers and acquisitions activity, reductions in some areas of business are all visible to payroll. If anything has got the attention of payroll at the boardroom, it is the impact of Covid-19 on industry, so do not be shy about the quantity and quality of information at your fingertips to support key management information.

I hope you find the articles contained in this edition of interest and of benefit to you, and please do drop me a line if you want to discuss anything contained in more detail.

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

CEO's message

As we approach the end of a calendar year, we can certainly say that nothing has been normal about this year.

I continue to express the best wishes of the CIPP staff and myself, that you, your family and colleagues have continued to keep safe and well during this pandemic.

This time last year I was writing about how good it was to see so many of you at our flagship Annual Conference and Excellence Awards Ceremony at Celtic Manor in Newport, in the beautiful Welsh countryside. Sadly, this year that was not to be, but I did see many of you online who followed and attended our virtual Annual Conference and Excellence Awards Ceremony. I hope the world achieves a degree of normality sometime soon and that we will once again be able to celebrate our profession, in person, at Celtic Manor in 2021.

Excellence was once again rewarded at our awards ceremony and the CIPP congratulate all the worthy winners and celebrate their success! And I must mention the special award of recognition, that I was pleased to award to Angela MacDonald, HMRC deputy chief executive officer and second permanent secretary, (who was also our keynote speaker). The award is made on behalf of the whole of HMRC for their innovative thinking, planning, speed of action, design, implementation and issue of the coronavirus job retention scheme, closely followed by the job support scheme.

A supplement from the Annual Conference and Excellence Awards is provided with this month's magazine.

Finally, November is usually a further time for celebration when we hold our Graduation Ceremony in Birmingham, for those who have successfully completed our university approved qualifications. This ceremony has been postponed and we look forward to celebrating the classes of 2020 and 2021 in November next year. However, we are pleased to recognise the success of our students and will be releasing a short, celebratory video to mark their achievement through social media and News Online.

Continue to keep safe and well.

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

PROFESSIONAL
in Payroll, Pensions & Reward

Also available online at
payrollpensionsandreward.org.uk

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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.

CIPP celebrates 40 years of supporting payroll professionals

TO RECOGNISE and celebrate 40 years, the Chartered Institute has contacted founder members of both the Association of Payroll and Superannuation Administrators and the British Payroll Managers Association, to ask what they think the Institute's biggest achievements have been.

Industry luminary Gordon Cresswell FCIPP has provided the following comments.

"I was a founder member of APSA and helped design the first-ever payroll qualification. Together with Trevor Lakin and Peter Blackhurst I started the British Payroll Managers Association, which is now the CIPP.

"We provided the first proper payroll qualification – the Diploma in Payroll Management – and the response was phenomenal. People of all ages took the opportunity to prove their worth, and we set up probably the education-world's best network of tutors. Overnight, we became BTEC's largest provider of a single subject distance learning course.

"This was followed shortly by the Certificate in Payroll providing people with a qualification of competence in gross to net calculations."

What was your motivation for being involved with the Institute? – "In common with many payrollers I was fed up doing work only for the HR and accountancy departments to take the credit. In those days there was no payroll voice and no qualifications. We aimed to remedy both, and I believe that is what we achieved."

What are your proudest moments working for the Institute? – "Not necessarily the proudest, but a most poignant moment was when the London *Evening Standard* printed an advertisement for a payroll position which included the words 'BPMA qualified person preferred'.

"Our first Graduation Ceremony in London was a real milestone and highlight, at which the BTEC representative spoke of our having achieved top marks for quality control of the qualification.

"Getting civil servants to come out and speak to payroll professionals was a real feather in our cap. HM Revenue & Customs (HMRC) staff had never been allowed out to meetings and conferences, but we changed all that through mutual trust. Being asked to sit on HMRC committees and to chair some was a real feather in our cap.

"I was very active in leading the drive to achieve Chartered status, and obtaining this was one of my proudest moments."

What do you think has been the biggest change for the profession over the last forty years? – "The increasing complication of legislation has enhanced the standing of the profession as usually any monitoring, reporting and calculation has to be accomplished by the payroll suite of programs. Not only has this pushed payroll into the role of keeping organisations compliant, it has enhanced payroll's role in their strategic management.

What would you like to see the CIPP achieve in the future? – "I would like to see HMRC insist on a practising certificate for payroll professionals – a licence to work in payroll."

Why was it important to you to launch the magazine? – "Initially we had a newsletter which, although homespun, was the first ever proper payroll communication – and our members loved it.

"The way the magazine is today is a tribute to all involved. It's professional and friendly, and can hold its own against any other professional magazine. The tone is perfect. It criticises authority where appropriate but does not seek to be obstructive to HMRC or the Department for Work and Pensions. It is objective and, importantly, independent."

CIPP round-up

WITH OUR event season drawing to a close for 2020, Joanne Hudson, CIPP marketing manager, provides a round-up of news and developments.

The Chartered Institute extends thanks all who interacted with us during our online events. We hope you enjoyed the events as much as we did, and that you gained useful information, networked with colleagues (old and new), and celebrated the profession with us at our Annual Excellence Awards.

Congratulations to all those nominated, shortlisted, and, of course, all who received awards in this year's Annual Excellence Awards. Your achievement acts as the gold standard for others in the industry and helps us raise the profile of this vital profession. The supplement with this issue provides details.

As we move into the winter months, we are not only reflecting on what the profession has achieved during this unusual year, but we are looking to the future. With the future in mind, we held an online extraordinary general meeting on Friday 9 October; see the separate report on the opposite page.

In other news, but still looking to the future, we are working to launch our *Software Directory 2021* in the new year, and are currently working hard to demonstrate the functional differences between software solutions, for those looking to update or change providers in these ever-changing times.

Our policy team are working tirelessly to ensure that we are all kept abreast of future changes, as the coronavirus job retention scheme ceases, and the job support scheme replaces it. We are here to support you through these times and the challenges they bring.

We extend congratulations to this years graduates who have successfully passed their Foundation Degree but unfortunately, due to current circumstances, cannot celebrate with us at a graduation ceremony this year. We look forward to celebrating with you in November 2021. Until such time, when we can get together in person, be proud of what you have achieved and the difficulties we have overcome together. So, continue to be professional, to be knowledgeable, to be supportive – but most of all, to be payroll.

Extraordinary general meeting report

THIS MEETING, held online on 9 October via Microsoft Teams, followed a consultation and notification sent out to members about CIPP board proposals to amend the Institute's Charter, bye-laws and regulations.

Some of the proposed amendments just tidy up some drafting issues, some are straightforward updates, others are changes which will help us better manage the Institute, and some introduce more modern and or best practice. These include reducing the term of office of our directors from four to three years and limiting to three terms the period of tenure for each elected director. One of the more significant changes was the proposed change to bye-law 16, which seeks to resolve difficulties with the timing of our annual general meeting in the context of managing our end of year accounting processes in time.

There were two resolutions that members were asked to consider: one for the approval of the revised Charter and the second asking for approval of the revised bye-laws. The online voting process was concluded at the Extraordinary General Meeting, and the results independently verified as follows:

- Special resolution one (Charter): 153 For (97.5%), 4 votes Against (2.5%)
- Special resolution two (bye-laws): 153 For (97.5%), 4 votes Against (2.5%).

The arrangements to amend the governing documents will now be finalised.

Congratulations to the newly accredited PAS organisations

THE CIPP's 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. Given recent events, congratulations to all organisations that have achieved this accreditation and will have been able to put those plans into action.

Special congratulations to our recently accredited organisations:

- Fourth
- Liverpool City Council
- PayPlus

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 still operating, with assessments currently operating virtually.

To find out how the Payroll Assurance Scheme can benefit your organisation, email **compliance@cipp.org.uk.**

On your behalf

Policy team update

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

The CIPP's policy and research team are involved in a variety of consultation forums, which allows us to put forward the views of the payroll profession in relation to potential new government policy. It also gives the opportunity to discuss what is working well and, conversely, what is not working as effectively in the payroll sphere.

Activity in the consultation space has continued, despite the outbreak of coronavirus, with meetings being held on a virtual basis.

TPR Professional Body Working Group

The Pensions Regulator (TPR) hosted a meeting in September to provide stakeholders with a corporate update, in addition to information relating to their auto-enrolment (AE) and ScamSmart campaigns. Attendees, all joining from different professional bodies, were then invited to detail what activity they and their respective organisations had been undertaking throughout the duration of the pandemic.

Key focus was placed on the change to the deadline for reporting outstanding payments, as due to Covid-19 a temporary easement was applied to this, and the deadline increased to 150 days, as opposed to the ordinarily observed 90. TPR explained that, from 1 January 2021, it will be asking businesses to revert back to the previous process of reporting payment failures within 90 days. From 1 April 2021, this will become mandatory. Concern was voiced within the group due to the threat of a looming 'second wave' of coronavirus, and questions asked about what will happen beyond next year.

As always, TPR wanted to emphasise the prevalence of pension scams, particularly given the current turbulent circumstances in which people are finding themselves, where it may feel like the most immediate solution is the correct one. There was a reminder that decisions around pensions should not be rushed, and a qualified advisor should be contacted where possible. TPR, together with the Financial Conduct Authority, promotes the ScamSmart campaign, which provides advice around pension scams, in terms of how to identify and subsequently avoid them, to protect savings for retirement. The resounding message was that TPR would like stakeholders to ensure that they continue communicating with members and signposting them to the wealth of information that is available on the topic of pension scams.

All attendees confirmed that the last few months have been unprecedentedly extremely busy, with the majority confirming that their business offered a coronavirus hub on their website, and that members have been updated of any relevant information via news stories online.

Several individuals explained that they were responding to the Treasury's recently published call for evidence which seeks evidence to support, or otherwise, the possible solutions put forward by HM Treasury and HM Revenue & Customs (HMRC) to resolve the social unfairness issue arising for certain low earners who are members of a net pay arrangement (NPA) pension scheme that results in them not receiving the benefit of tax relief on their pension contributions.

...businesses to revert back to the previous process of reporting payment failures within 90 days.

Collection of Student Loans Consultation Group

At the recent meeting of this group it was pleasing to hear that the feedback gained from members regarding the starter checklist had been taken on board. The group were advised that the positioning on the checklist of the 'please note' text would be moved in line with the feedback received. Thank you to those who submitted feedback on the checklist – the team were extremely grateful for all of the comments.

Employers are reminded that the intent to introduce a new student loan plan for Scottish learners will go ahead as planned in April 2021. New plan 4 will result in an increase to the Scottish loan threshold to £25,000 before repayment deductions of 9% are taken. It is estimated that this will affect around 5,000 employees; and we await further confirmation of how this information will be sent out to employers.

HMRC advised that after reconciliation some employers have overpaid student loans and, in response, the department has been writing to those concerned requesting banking details so that refunds can be made. During this period especially, we have seen multiple scams in which fraudsters pose as HMRC in attempts to defraud the public. We were asked to inform employees that these letters are genuine and can be actioned, but if in any doubt they can log onto their student loan account to confirm the overpayment.

A reminder that the student loan thresholds for the tax year 2021/22 have been confirmed.

...a risk that some small pots will be eroded to nil or be so small as to be almost worthless...

DWP Small Pots Working Group

The risk of small deferred-pension pots amassing was a concern raised at the very earliest stage of development for workplace pension policy. It is estimated that without action by 2035 there will be 27,000,000 deferred pots.

The Department for Work and Pensions (DWP), together with the Pensions Policy Institute (PPI) and Now: Pensions, are leading on a Small Pots Working Group that will provide an initial assessment, recommendations and an indicative roadmap of actions for industry, delivery partners and government.

The government continues to work with stakeholders to ensure the delivery of pensions dashboards that will enable consumers to see what pension pots they have, online and in one place. The Small Pots Working Group will complement this work and seeks to identify the priority option or combination of options to help tackle the growth of deferred, small pension pots.

A small deferred-member pot arises when an employee and their employer stop contributing to the pension scheme. This may occur when an employee leaves their employment or can happen when the employee has missed the opt-out window. If the employee fails to monitor their deferred scheme, there is a risk that some small pots will be eroded to nil or be so small as to be almost worthless at the point of retirement.

Many solutions to this problem have been discussed over recent years. During summer 2020, the PPI published a report to detail the possible policy options that could be delivered to tackle the growing number of deferred members with small pots. The proposals considered within the PPI report include:

- pot follows member
- lifetime provider
- same provider consolidation
- default consolidator
- member exchange.

Automatic enrolment pensions policy has been successfully delivered by 1,700,000 employers resulting in 10,000,000 employees now engaged with pension saving. After the hard work and commitment delivered by the wider payroll profession to make this policy a success, let us now work together to help make every penny saved by the employees we serve count towards life in retirement.

The CIPP policy and research team are working alongside other stakeholders on this project and have been gathering evidence from the payroll sector through surveys and discussion. Questions posed include:

- How practical are the proposed solutions?
- Are there other options that could be explored?
- What are the main barriers to implementing solutions?
- How might these be overcome?

The needs of the consumer will be at the heart of all work delivered by the Small Pots Working Group and the views of the whole payroll profession, including software developers, payroll bureaux, bookkeepers, accountants and employers are essential to ensure the right solution is taken forward. ■

Please contact **samantha.mann@cipp.org.uk** if you have any thoughts, views or experience that you wish to share.

Advisory

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

Q: If an employee has more than one child placed with them through adoption and under separate/different arrangements, will this affect their entitlement to statutory adoption pay (SAP) and leave?

A: The payments for SAP depend on whether the adoption of more than one child is in relation to the same arrangement or different arrangements.

If the adoptions are part of the same arrangement and matching certificate, then there would only be one entitlement to SAP. If they are part of separate arrangements with separate matching certificates, then they will need to be treated separately for SAP purposes and the adopter could potentially be entitled to two payments of SAP.

The entitlement to leave and pay are treated differently in these instances.

Provided the employee meets the criteria for leave, then they would be eligible for another entitlement of 52 weeks. The leave would not run simultaneously, the first entitlement would cease as the second entitlement begins.

For the purposes of paying the employee, unlike the entitlement to leave, the first adoption's entitlement to SAP would not stop due to the entitlement to SAP under the second. In fact, the employee would continue receiving SAP under the first entitlement, if they were eligible, and begin payments under the second when their leave begins. It would be important to assess whether the employee would be eligible for the second adoption payment and this would be performed against the normal criteria on the Gov.uk website.

Q: We have an employee who is pregnant. Her due date was 1 July 2020, and she agreed her maternity start date as 10 July 2020. On 20 July 2020, she wrote to us to explain that she had given birth on 19 July and would therefore like to start her maternity on 20 July. Is this allowed?

A: An employee wishing to change the start date of her maternity leave, must give the employer 28 days' notice, or agree a new date.

The start date of 10 July 2020 appears to have been agreed between the employer and employee and would therefore be allowed. But the latest change to 20 July would not be allowed as the employee had already started her maternity leave on 10 July.

The employer should always be notified of the date the employee expects her statutory maternity pay (SMP) to begin. Notice must be given at least 28 days before the SMP is due to start.

Statutory maternity leave (SML) should start on one of the following:

- eleven weeks before the week the baby is due
- the first day after the birth if the baby is born early
- automatically if an employee is absent with a pregnancy related illness in the four weeks prior to the expected date
- on a chosen date between eleven weeks prior to the expected week of birth and the date of birth.

Q: How do you pay and process statutory sick pay (SSP) for an employee where the qualifying days (QDs) are not clear, for example, zero hours workers?

A: If there is a rota available for days that the employee should have worked then this would need to be used to establish the QDs. If there is no rota available, then there must be at least one QD each week.

If the employer and employee cannot agree the QDs, regulations provide for the QDs to be:

- the days on which the employer and employee agree that the employee is/was required to work under the contract, or
- a Wednesday, if there is/was no specified day of work, or
- every day of the week except those on which they agree that none of the workforce were required to work.

This is prescribed under section 154 of the Social Security Contributions and Benefits Act 1992 or section 150 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

Q: An employee who is pregnant has handed in her notice after her qualifying week (QW) and is also going to work for another employer before giving birth. How does this affect the SMP we have to pay?

A: If the employee starts work for another employer after the QW, but before the birth, then any employer liable to pay SMP to her does not have to pay SMP for any weeks she works for that other employer after the baby is born. One of the criteria for ceasing SMP as listed in the SMP1 form is that the employee has started working for another employer that did not employ her at the QW.

Before the birth, the employee can work for the new employer and still receive SMP from the employer liable to pay SMP. When the employee leaves the 'old' employer SMP becomes payable on the earlier of the following:

- the Sunday of the eleventh week before the baby is due
- the day after the baby is born.

However, if after the birth the employee goes back to work for a new employer with whom she was not employed at the QW, she must tell her old employer as SMP will cease. The old employer would issue form SMP1 with the exclusion reason that the employee started work for a new employer that did not employed her at the QW.

Q: Are there any age limits for paying SSP?

A: There is no age limit for SSP payments. Employees are entitled to SSP provided they satisfy the eligibility criteria, which are:

- classed as an employee and have done some work for their employer
- earn on average at least £120 per week
- have been ill, self-isolating or 'shielding' for at least four days in a row.
- Please see the guidance found here: https://bit.ly/3cT0V05.

Q: Is there a limit on how many linking periods an employee can have before they are no longer eligible for SSP?
A: Employees are not eligible for SSP if they have a continuous series of linked periods that last more than three years. If the employee does not have linked periods lasting more than three years, then provided they satisfy the eligibility criteria for SSP and do not fall under the exceptions then they will be entitled to the payments.

Q: If an employee wishes to take statutory paternity pay (SPP) and leave, what notice are they required to give?
A: The notice required for SPP depends on whether the paternity is related to birth or adoption. In cases of birth, the required notice is by no later than the Saturday of the qualifying week (fifteen weeks prior to the week the baby is due). For adoption, the required notice is 28 days from the date the child will be placed.

It is prudent that the notice is made in writing and informs the employer of the expected date of birth or the date that the child is expected to be placed. The notice should also indicate when the employee wants to start being paid SPP and whether they will be taking one or two weeks of leave. In circumstances where the employee is late giving notice to the employer, then it is for the employer to decide if it was reasonably practicable for the employee to have given them notice on time.

Please see section SPM140600 of HM Revenue & Customs' (HMRC's) *Statutory Pay Manual* for more information: https://bit.ly/3jrJc2C.

Q: An employee who was due to be on paternity leave, has instead commenced sick leave. Must we still pay SPP?
A: If an employee is eligible to be paid SSP in any week during the paternity pay period (PPP) then they cannot be paid SPP for that week. However, they can be paid SPP for a week in which there were only waiting days for SSP, prior to payment.

This is encompassed at section SPM140700 of HMRC's *Statutory Pay Manual*, see: https://bit.ly/33o2T5z.

If an employee is off sick during the time they requested as statutory paternity leave (SPL) then they can request to take this later after their sickness ends. However, this must still be within the time limit of 56 days after the birth of the baby (see Regulation 18(a) of the Statutory Paternity Pay and Statutory Adoption Pay (General) Regulations 2002).

Q: We have an employee on statutory shared parental pay (SShPP), but they are being made redundant during their period of statutory shared parental leave (SShPL). How do we treat this?
A: One of the eligibility criteria for SShPP is that the employee must have been continuously employed 26 weeks prior to the qualifying week (fifteen weeks before the week the baby is due). This is referred to as the continuity of employment test. The employee must also still be employed the week prior to when the SShPP is due. Provided that the employee satisfies these criteria then if they are made redundant during their SShPL and they are in receipt of SShPP then they would continue to be paid for the remainder of that period of leave. It is important to note that starting a new job would cease their entitlement to SShPP.

Please see regulation 30 of the Statutory Shared Parental Pay (General) Regulations 2014. ■

Clarification to the article 'Annual leave and term-time workers'
The authors of the article, which was published in the October issue, have supplied the following clarifying comments.

"The divisor of 44.4 used in the calculations for the purpose of the out-of-court settlement of the case involving the Royal Borough of Greenwich was agreed by the parties. The calculation (and divisor) should not be construed as an appropriate calculation methodology for general purposes."

Being payroll

Deborah Auton ChMCIPPdip, UK payroll manager, DS Smith Business Services, discusses the benefits of being part of the CIPP

What attracted you to CIPP membership?
When I started in payroll, I needed to find out lots of information, and CIPP seemed to be the main place to get all that knowledge. It was a professional organisation that had everything I needed to do my job, all in one place.

Which benefits of the CIPP membership package have helped you the most?
Keeping up to date on all the changes is essential, so the magazine, the *News Online* email newsletter and the Advisory Service have probably helped me the most. Also, being able to go on discounted courses, knowing its content is from a really trustworthy source, is great.

How has CIPP membership helped you in your career?
So, when I started my career in payroll, I had no knowledge at all and CIPP helped me learn the basics. I did the National Payroll Certificates to understand the basics of payroll processing. As I progressed, I have been on more courses and have done the Foundation Degree in Payroll Management, which has enabled me to progress to senior and management positions in payroll.

Tell us about a time when you really felt the benefits of having CIPP membership
There have been lots of time when I have used the benefits from membership.

When you get questioned about something at work, for example on whether a particular expense should be taxed or not, you know that the Advisory Service will be there to help you and give you the right answer. You have that behind you as a professional answer.

Tell us about the day you realised CIPP membership was really of value to you
It was when I realised that payroll was a lot more than just processing time or sending out the payslip. When I realised the amount of legislation and compliance that we need to comply with and all the work you have to do to make sure your organisation is safe. Knowing that my membership was there as a source of knowledge and support if I needed help was invaluable to do the job that I do.

For someone who is thinking of joining the CIPP, what would your advice be to them?
I would definitely recommend that anybody working in payroll joins the Institute. Whether you are a new entry to the industry or a seasoned professional, the CIPP is there to support you and to educate you.

The monthly magazine is filled with information to support you whatever level you are in the organisation and you know that you are going to get good reliable sources of knowledge. There is so much legislation and it can be quite complicated navigating the HMRC website, especially when you start off, and CIPP will put that into a format that is understandable and you know you can take that away and apply it to a practical information.

Why is being a CIPP member important to you?
I have always wanted to be a member since I started in payroll and I think it's really important to have a trusted professional organisation which represents our industry. Payroll is far more complicated than people think it is, and those working in the industry have the really important job of getting people paid. So, for me, it is really important that I have membership of an organisation that recognises the experience and the qualification and gives me what I need to be the best I can.

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

BE ACCURATE. BE COMPLIANT. BE CONSISTENT. BE PASSIONATE. **BE PAYROLL**

Movers Shakers

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

HAYS PAYROLL PROFESSIONAL OF THE YEAR

AS PART of a nationwide competition, payroll administrator, Hannah Jones, has been awarded payroll professional of the year by the recruiting experts, Hays, and has received £100 in retail vouchers. Hannah, who has worked at Leeds University Union for the past five years, managing payrolls for salaried, weekly and job agency staff, has been awarded as national winner alongside several regional winners across the UK.

The competition ran as part of National Payroll Week (NPW). Over the course of NPW, payrollers across the country nominated their payroll professional of the year who was someone they felt had gone above and beyond in their role. The competition received over 100 entries.

Speaking of her achievement, Hannah said: "It's awesome to be recognised for all the work I do in the background, especially during such a difficult time. I really appreciate it. Thank you very much!"

Helen Whiteley, Hannah's direct line manager, who nominated her for the award, said: "I am delighted that Hannah has won 'Payroll Professional of the Year'. She has been brilliant this year and fully deserves the recognition."

Hannah's entry was judged by Helen Livesey, director of Hays Payroll, who commented: "The calibre of the nominations this year was outstanding. Unlike National Payroll Week in previous years, we saw many examples of work around furlough, reminding us of the crucial nature of the work carried out by payroll professionals. It was wonderful to read such kind words in each nomination and it really brought home just what a fantastic profession the payroll world is. Choosing the winner was a very difficult decision which was much debated between myself and fellow judges, but Hannah's work stood out to us and we are over the moon to present her with this award."

SO LONG, FAREWELL – AND THANK YOU TO TWO VENERABLE CIPP TUTORS

TWO ENTHUSIASTIC supporters of the CIPP have recently retired from their role as a tutor. The CIPP extends thanks for their noble support and wishes both the very best in the future.

Karen Thomson MSc ChFCIPPdip FHEA

It is with regret that after seventeen years of service with the CIPP, we say goodbye to Karen Thomson. Karen has had a long and successful career with the CIPP, culminating in leading the CIPP's policy and research department.

Karen tutored concurrently on the CIPP's Foundation Degree in Payroll Management and the Master of Science in Business and Reward Management. In 2013 she received the ten-year service award at the CIPP's annual tutor training event, and in 2017 she was awarded the CIPP's Payroll Professional of the Year accolade.

She has consistently displayed laudable professionalism, coupled with the determination to promote the payroll profession wherever possible. A testament to these attributes is that she was one of the first payroll professionals to successfully apply for the prestigious Chartered membership status with the Institute.

Jane McDonald MCIPPdip

We also say goodbye to Jane McDonald, another long-standing and esteemed tutor and full member of the Institute.

Jane tutored on the Foundation Degree in Payroll Management for fifteen years, joining the CIPP's tutoring staff in October 2005. She provided dedicated support to students at all levels of the Foundation degree and its preceding Diploma in Payroll Management programme, and received the ten-year service award at the CIPP's annual tutor training event in 2015.

ZELLIS APPOINTS RUTH DOOLEY

RUTH DOOLEY MCIPPdip has been appointed as product manager for Zellis, as part of the product management team focused around payroll legislation and compliance. The role is to work as a team to drive the functional design and direction of ResourceLink to ensure that it provides customers with a great experience and functionality.

Ruth says: "This is a completely new role for me, so I am learning more and more as time progresses. The payroll product team at Zellis are amazing and inspirational. They know their stuff. I am so glad to have joined such a strong team and to be a part of such great software company."

Edward Bryan Ghent 11 February 1926 - 14 September 2020

THE CHARTERED Institute was saddened to hear of the passing of an old friend and supporter, Edward Ghent. In the early days, Ted was always there, smiling and quietly supporting the British Payroll Managers Association, continuing this through to the CIPP.

As payroll manager for Geest plc, in Spalding, Ted was always on top of payroll issues – and we put this to good use through his appointment as one of our first Diploma tutors.

Whether it be national meetings, regional meetings, conferences or graduation ceremonies, Ted was there, side by side with his lifelong companion Pam Garret, also a member from the start. Our condolences to Pam in her loss.

We will miss Ted's quiet, tenacious and dependable support, for which he was rightly awarded an honorary CIPP Fellowship.

Ted passed away peacefully at Ashwood Nursing Home Spalding.

When we were young – A taxman's life

David Toye FCIPP, outlines his Inland Revenue career and connections with the CIPP

I had left school at the age of eighteen, working the summer months at Worcester fruit market. When the growers and dealers knew I was from Worcester Royal Grammar School they christened me 'the student prince'.

I actually got the sack from that job because the porters complained I was picking up their tips. I moved on from that adventure into public service, but before writing about that let me briefly explain why I, a retired public servant, come to be writing here.

Many of you reading this won't have heard of me, so I should explain that I was asked by Inland Revenue (now HM Revenue & Customs) to represent the department to payroll and other bodies, from 1987, which I was pleased to do until my retirement in 1995. I was in touch with the editor over the death of dear Norman Green and he suggested I write an article.

My first district charge with the Revenue was a huge Schedule E tax district in Yorkshire, and it was a rather anxious young fully trained inspector who moved his family to Shipley in the autumn of 1973. I needn't have worried as the staff were wonderful. That seemed to set me up for head office (PAYE procedures) and the world of payroll for seven years or so.

I first met Peter Blackhurst of the British Payroll Managers Association in 1988, and it was he who did so much to settle me into the conference role. So many people helped me in their different ways. I particularly recall Gordon Cresswell, Chris Williams and Trevor Lakin, and not forgetting Fiona Chamberlain who worked quietly in the background taking notes of meetings, minutes etc, which all boosted the professional aspirations of your organisation, now a Chartered Institute. We believe that together we improved the working relationship between payroll and my former department, and, for my own part, I much appreciated being awarded CIPP Fellowship.

Having heard me talk of PAYE over the years, I hope it might interest you to read of other aspects of my life in taxation. I'll describe some days when my job required me to step outside the ivory tower, which I was always keen to do! Some of this was in courts, from the High Court up to the House of Lords. Sometimes I had to give evidence as a PAYE expert witness which taught me always to use simple accurate language, and to avoid language that I didn't want questioned by the defending barrister etc. I loved court work, saw all the robes, wigs and ermine as pure theatre – always to be respected and admired but never feared!

One particular day required me to report with the Board's solicitor to the House of Lords which was then the UK's ultimate judicial court. A tax appeal was being heard by their lordships, chaired by Lord Mackay of Drumadoon who was a cheery, sprightly soul, mind as sharp as a razor. We were introduced to the barrister pleading for the Revenue, who said: "Listen boys, if I'm in trouble I have a habit of rocking on my feet. If I do that, just start scribbling on whatever the question is about!" It was not too long before the interrogation got underway and Barangwanath started rocking alarmingly while the two of us scribbled furiously. I always remember Lord Mackay's twinkle as he commented "I gather you are in difficulty with my questions Mr B, though two gentlemen behind you seem eager to join the fray? Ten-minute adjournment?"

The next tale might amuse you. An accountant had made his client's appeal to the Inland Revenue Special Commissioners, knowing the added difficulty this would make for me. I decided to have the appeal formally heard and would seek a finding of wilful default. I knew what I was doing in the sense that I had read Tolley's comments on the disinclination of the Special Commissioners to make such a finding. I told myself three times in the mirror that it would be fine; the mirror smiled back, and off I went.

Things did not go fine! The Special Commissioners misordered the proceedings, clearly did not welcome my tactful attempt to sort it out, and we were doomed within ten minutes. That was a difficult day which I just put down to experience. Furthermore, being right is one thing, but passing that 'good news' on is quite another.

It only remains for me to thank you for your friendship and support and to wish you well both collectively and in your individual lives. Christina and I now live a happy retired life in Malvern, spending our time walking, still some cycling and in my own case, singing with Malvern Male Voice Choir. ■

...together we improved the working relationship between payroll and my former department...

Diary of a student...

Marie Holmes MCIPPdip
Processing manager, Keen Thinking Limited

Tell us a little about your background and life so far.
I'm currently a processing manager for a recruitment finance company and oversee a team of eight. We manage the payroll and back office for 200+ agencies, and deal with all employment types, processing in the region of 4,000 payments each week.

What can you tell us about your career and qualifications?
I started my career as an administration apprentice and was soon tasked with processing the fortnightly payroll, so like many others in the payroll industry I accidently fell into it. This piqued my interest in payroll and led me to a job working for the NHS as a payroll administrator and the opportunity to complete a further apprentice qualification focussed this time on payroll.

Two children later, my hunger to learn and develop returned which led me firstly to my local college where I completed a management and leadership qualification and then on to CIPP to complete the Foundation Degree in Payroll Management.

Why did you choose to study the Foundation Degree?
To progress and develop my career I felt an accredited qualification related to payroll would fulfil my need to learn as well as support my own continuing personal development. The CIPP is nationally recognised and the Institute for the industry, so was the perfect fit.

How did you find the qualification?
Balancing a very busy full-time job, parenting and study was no easy feat but the value I gained from the modules we studied and the achievement of gaining the qualification far outweighed the blood sweat and the occasional tears I experienced throughout the duration of the qualification. It's definitely worth it, and now after a break from study I'm considering starting the Masters qualification.

What advice would you give to others who are thinking about studying in order to improve their career?
Just do it! It's hard work and time-consuming but worth the final outcome of graduating and will open doors you didn't know existed. The support of fellow students, the course leaders and tutors was fantastic; and, of course, still being a CIPP member means I have access to the Advisory Service and many payroll and legislation updates as and when required. I could not recommend CIPP or the qualification enough.

How did you manage the work-life balance and your study? Do you have any tips for others in the same position?
Planning and manging your time wisely is a must, and I would advise building a good strong support network with the other students. I learnt so much through discussion with the other students which strengthened my knowledge and the content of my assignments. I've also made some friends for life.

What would you say is the most important thing you learnt?
Hard work pays off, and that planning and time management is critical.

What did you gain from this qualification – both in terms of skills and also career progression?
So much; the qualification solidified my payroll knowledge and enhanced my written and verbal communication skills. Not only did I gain a deeper understanding of payroll, develop management skills of myself and others, but I also achieved a promotion to payroll manager and then a little later another to processing manager. ■

Job support scheme amended

IN EARLY October, the government announced that the job support scheme (JSS) is being expanded to support businesses across the UK required to close their premises due to coronavirus restrictions. The measures will sit alongside the original JSS and the £1,000 job retention bonus (JRB) which encourages employers to keep staff on payroll.

The intention of the changes is to protect jobs and enable businesses to reopen quickly once restrictions are lifted. The scheme is UK-wide and the UK government will work with the devolved administrations to ensure the scheme operates effectively across all four nations.

Under the expansion, firms whose premises are legally required to shut for some period over winter as part of local or national restrictions will receive grants to pay the wages of staff who cannot work. However, businesses required to close as a result of specific workplace outbreaks by local public health authorities are not eligible for this scheme. Businesses will only be eligible to claim the grant while they are subject to restrictions and employees must be off work for a minimum of seven consecutive days.

The government will pay two thirds (67%) of each employees' normal pay, up to a maximum of £2,100 a month. Details on how 'normal pay' is calculated will be set out in guidance to be published.

Under the scheme, employers will be required to cover employer National Insurance contributions (NICs) and automatic enrolment pension contributions in full, where applicable, but are not required to make further contribution to wage costs. Employers can top up employee pay if they wish.

The scheme will begin on 1 November and will be available for six months, with a review point in January. Payments to businesses will be made in arrears, via a claims service operated by HM Revenue & Customs (HMRC) that will be available from early December. Grants can only be used as reimbursement for wage costs actually incurred.

Employers must agree with the relevant individuals the new scheme and any changes to the employment contract and notify the employee in writing. The agreement must be made available to HMRC on request.

Employees cannot be made redundant or put on notice of redundancy during the period within which their employer is claiming the grant for that employee.

In line with the rules for the JSS already announced, all employers with a UK bank account and a UK PAYE (pay as you earn) scheme registered on or before 23 September 2020 can claim. This means a real time information full payment submission return to HMRC notifying payment to that employee must have been made on or before this date. Claims will be made on a monthly basis online through gov.uk, with the grant paid in arrears.

HMRC will check claims. Payments may be withheld or need to be paid back if a claim is found to be fraudulent or based on incorrect information. HMRC intend to publish the name of employers that have used the scheme, and employees will be able to find out if their employer has claimed for them under the scheme. HMRC will continue to operate a hotline for individuals to make reports of any fraudulent claims.

In addition, the government is increasing the cash grants to businesses in England shut in local lockdowns to support with fixed costs. These grants will be linked to rateable values, with up to £3,000 per month payable every two weeks. The devolved administrations in Scotland, Wales and Northern Ireland will benefit from a £1.3 billion increase to their guaranteed funding for 2020/21.

Factsheet *Job Support Scheme Expansion for Closed Business Premises* (https://bit.ly/33OOj7j) provides further information.

Job retention scheme claims

EMPLOYERS HAVE until 30 November 2020 to submit claims under the coronavirus job retention scheme for periods ending on or before 31 October 2020. After this date employers will not be able to submit any further claims or add to existing claims.

Protected pension age easement ends

HMRC HAS announced that the protected pension age easement will expire on 1 November 2020 (https://bit.ly/3lHPcoj). The protection was available for members who before 6 April 2006 had a right to take their pension benefits at an earlier age than the current rules allow.

CJRS fraud and errors

THE GOVERNMENT has announced that from 28 September 2020 the test and trace support payment scheme, which was piloted from 1 September 2020, would be rolled out across England. People on low incomes who have tested positive for coronavirus or have been told by NHSTT to self-isolate, who cannot work from home and have lost income as a result, will be supported by a test and trace support payment of £500.

HMRC has confirmed that payments made under the scheme by local authorities will not be liable to class 1 and class 1A NICs. The Social Security Contributions (Disregarded Payments) (Coronavirus) (England) Regulations 2020 (SI 2020/1065) (https://bit.ly/2FlUztY) will come into force on 22 October 2020 and introduce a class 1 and 1A NICs exemption for payments made under the scheme.

The future of payroll roundtable

Held on the opening day of this year's National Payroll Week celebration, the roundtable brought together payroll industry luminaries. Comments on the future of payroll from the participants will be of interest to all payroll professionals

Jason Davenport MCIPP MIoD, chair, CIPP

The opportunity to discuss key items with senior members of the industry was an incredibly important event to start National Payroll Week. Vickie Graham was a great host, using virtual facilities and keeping everyone engaged to ensure the meeting was both informative and the available time ran well to ensure everyone's thoughts were included.

Representatives from our National Payroll Week sponsors and CIPP partners were in attendance at the event and it provided an opportunity to consider the changing nature of the payroll professional's role, as well as the impact of payroll in business and its strategic value.

The future of payroll roundtable has become a key marker in taking stock of the value of the profession and how the legislative landscape continues to change. So, regular continuous professional development is a key factor in any payroll, pension or reward professional's approach to maintaining up to date knowledge and being aware of all the factors that affect the industries being served.

The roundtable also served as an opportunity to catch up with colleagues virtually, which is always a pleasure, especially during these challenging times when face-to-face meetings have become so rare.

...payroll professionals being more amenable to the introduction of systems that provide automation of transactional tasks.

Sam Johnson, marketing manager, The Portfolio Group

We believe it is extremely important for Portfolio Payroll to join discussions such as the Future of Payroll roundtable event as it keeps our knowledge and expertise of the industry relevant and up-to-date.

This year, it was particularly insightful to learn how attitudes toward the use of technology are changing with payroll professionals being more amenable to the introduction of systems that provide automation of transactional tasks. The realisation that simplifying these processes allows for their time to be spent on understanding legislation, dealing with enquiries and even strategising for the future. There is, too, an appetite for learning about artificial intelligence (AI) and data analytics particularly about education. If

systems were able to guide employees on inputting information correctly, this would improve the quality of data and ultimately reduce the time spent on enquiries and fixing human errors.

Pay on demand was challenged on whether it would encourage negative financial habits. The subject of who is/should be financially responsible when it comes to managing income was left un-resolved. Overall, there was a sense that it perhaps wasn't for all industries or all types of pay.

The pandemic flagged up contingency plans – noted by Portfolio as payrollers were contacting us about the options of being able to source their replacement with temporary staff at short notice. It also brought up the impact of remote working on mental health. With the stress of high levels of accuracy and strict deadlines, is it possible to support your payroll team remotely? Further to this, how do you simulate 'informal intelligence' – the learning you gain inadvertently from others when together? Definitely food for thought.

Finally, it was debated 'What makes an employer of choice?'. A resolute answer being that it was likely to be a mix of all these features: technology, pay on demand and remote working – leaving us all wondering which ones can we leverage?

David Johnson, UK Service Director, ADP

Getting invited to a panel discussion on the future of payroll is always going to be interesting. It's intriguing to find out what other companies and client organisations think about new developments. And of course, what they think the next big thing is.

If I had a pound for each time I was asked about pay on demand to support the gig economy, I would have plenty of coins rattling around. It shows no sign of widespread adoption. The temptation is to follow those new ideas and developments that are on the periphery for most payroll departments, rather than focusing on the core aspects for most payroll professionals: accurate pay, on time. It was interesting that the panel were almost of one mind on this.

There was much discussion about making sure the advances and developments in software were used by clients and processors alike. That the focus should be on automation and the removal of low value repetitive tasks to free time for more valuable activities. Links to time management systems need to provide data direct into payroll systems to reduce file imports and other human driven opportunities for error.

The subject which has stuck with me the most is that of payroll having a seat at the boardroom table. We have access to some amazing data and if we use that data to provide insights that enable better decision making, it won't be long before it is demanded that the payroll team get their voice heard at the highest levels. This reflects on the skills discussion we had as well. To drive this do you need a payroll specialist or a data specialist? Similarly, to drive change do you have the right skills in your team, or is it easier to go with what you know?

Angela Clow MCIPPdip, presales manager, Zellis

For payroll professionals, the future of work holds a couple of important meanings.

The first is the increasing level of workforce complexity they will need to manage over the coming months and years – something undoubtedly made an even bigger challenge by the ongoing Covid-19 pandemic.

The second is the need for upskilling and the adoption of new technology in order to continue meeting and exceeding expectations, particularly as the payroll profession gains recognition as a strategic, rather than purely operational, business function.

Several trends demonstrate the increasing complexity of the modern workforce and its impact on payroll. The growth in requests for flexible working hours has underscored the importance of integrating payroll and time and attendance systems to capture accurate information, thereby minimising the risk of errors.

The ever-widening scope and choice surrounding employee benefits presents a similar challenge, particularly as organisations look to unify their pay and benefits processes and develop more cohesive employment packages.

The implementation of the Good Work Plan (which may include the introduction of a single enforcement authority for employment) should help to reduce complexity over time, but it will likely require payroll teams to adapt and evolve in the short-term.

So, what can payroll professionals do to prepare for the future of work? The focus, particularly during this indeterminable period of uncertainty and disruption, should be to stay as informed and ahead of change as possible. This doesn't just mean working closely with industry associations, regulatory bodies, and suppliers, to stay ahead on skills and compliance. It also means looking more seriously at technology trends, such as cloud-based software, automation, and data analytics, and assessing whether your organisation really has what it needs to meet both its current and future payroll needs.

Vanessa Shiels-Combe MCIPPdip, Workday

At this year's roundtable, a key observation was that payroll professionals should embrace technology advancements and innovations and see the value of automation to help them work smarter and focus on more strategic parts of their role. Technology-related fears are decreasing, as technologies evolve and become more mainstream, and their value is proven.

It is encouraging to see how technology and payroll increasingly go hand in hand, and it's important to continue working together as a community to ensure we not only deliver innovation, but are tuning into what is really needed to help the payroll profession adopt new technologies. It is key for technology partners to continue to focus on user experience and ease of use.

...also means looking more seriously at technology trends, such as cloud-based software, automation, and data analytics...

One of the insights of the CIPP survey is that chatbots aren't yet widely used for payroll inquiries. While there is potential to increase their usage to lighten the burden on payroll, there is another aspect to focus on. If we manage to cascade information to employees, we can reduce the overall volume of inquiries. Pre-empting employees' needs for information goes a long way. Sourcing knowledge articles, insight and useful information so that these are available when and where needed on the device of their choice, makes interacting with HR (human resources) and payroll more frictionless and reduces inquiries, further increasing efficiency for payroll.

Major internal and external forces continue to impact the function, particularly in our new world with unforeseen pressures from Covid-19. We are seeing dramatic changes in the workforce.

Two main drivers can support the payroll function:

- technology – more automation means more time for strategic tasks
- unique insights – real-time data coupled with machine learning equips payroll professionals with deeper, more applicable knowledge, highlighting them as valuable partners as they collaborate with finance and HR.

If payroll professionals are enabled to successfully harness the opportunities that innovation can provide, they are well-placed to adapt and master the challenges that lie ahead.

Wendy Muirhead, vice president, Ceridian Europe

This year I was delighted again to be invited to participate in a roundtable discussion as part of the CIPP's National Payroll Week event. Having worked in the payroll space for longer than I care to admit, this event is always a great opportunity to feel a real part of the payroll professional's world.

CIPP members are on the frontline and have real-time experience in dealing with the day to day challenges that come with ensuring the workforce is paid correctly and on time – not an easy task. And this strange year has brought an even more challenging dimension in the shape of furlough – what to do, what not to do, which rules apply where, even trickier deadlines to meet – the list has seemed never-ending. If you add a global element to it as well – in the shape of a pandemic – you really need your wits about you!

When your job is to make your customers' lives easier by giving them access to a product that will really help them in their difficult and stressful duties, it is amazing to be able to access a network of people who will tell you how it is.

These roundtable events are really valuable; not just for networking, but for appreciating again how things really are for the payroll community. I always take back with me ideas and visions for the future as well as renewed perspectives based on their feedback, which is why I love my job!

Thanks for the invitation, CIPP – and see you next year.

...some organisations are working at maximum output to simply maintain delivery of the 'Payroll Promise', as I like to call it , which is to pay on time and accurately...

Rob Gimes, senior payroll product manager, CoreHR (an Access Group company)

It was insightful to hear perspectives from payroll professionals and vendors alike, given the year it has been to date. What stood out most for me were five key areas across devolved data input, SaaS (software as a service) based solutions, disaster recovery planning, emergency payroll, and the role of payroll in employee engagement and productivity, through tools like on-demand pay.

While some organisations are working at maximum output to simply maintain delivery of the 'Payroll Promise', as I like to call it , which is to pay on time and accurately, others are also working with organisational challenges such as increased employee disengagement as the pandemic sees workers struggling to maintain balance in their lives, with their emotional and financial wellness suffering. In discussing the future of payroll, the panel revealed multiple instances of how people in our profession came together in recent months to support each other and their workforces.

Looking ahead, what was underlined was the very real risk there is to every payroll, should such an event occur again. It struck me that now is the time for payroll managers (if they haven't done so already) to seek out vendors that truly support them, that offer solutions with the required breadth and depth enabling absolute freedom and flexibility within businesses. This will allow payroll professionals to contribute as a team and also at an organisational level to people experience and ultimately sustainable growth.

Amber-Ainsley Pritchard, editor, Reward Strategy

It was great to be part of the Future of Payroll roundtable again. Being part of a conversation that takes place during such a prominent time of the year, National Payroll Week, means we can really focus on the strategic value that payroll can offer to the wider organisation, as well as think of further ways we can raise the profile of the profession.

The future of payroll will by no means be easy, but it looks like the pandemic will have a lasting impact on proving how incredible payrollers are. ■

The September issue of *Professional* magazine carried an article by Vickie Graham DipM ACIPP ACIM, CIPP's business development director, setting out the findings with commentary of the 2020 survey the Institute conducted earlier this year. The article covers these four areas:

- How technology will enhance the payroll profession
- Salary strategies of the future
- The future of working
- Skills of payroll professionals and job roles of the future.

The CIPP's *Future of Payroll* survey report can be found here: https://bit.ly/3np3CeJ.

NICs holiday for businesses employing veterans

Lora Murphy ACIPP, CIPP policy and research officer, provides details of a recent consultation exercise and members' responses

First announced in the 2019 Conservative party manifesto, which pledged to "reduce National Insurance contributions for employers if they employ ex-service personnel", the government will from 6 April 2021 offer those businesses that employ veterans a twelve-month class 1 National Insurance contributions (NICs) holiday. It is hoped that this will serve to encourage more employers to take on veterans, thereby supporting their transition to civilian life through employment.

In July, HM Revenue & Customs (HMRC) published the document *Supporting veterans transition to civilian life through employment* (https://bit.ly/2GoVDxC) to consult on how best to encourage employment of veterans through a NICs relief for employers that hire veterans, and to seek views on policy design to ensure the relief is as effective as possible. The document observes that "we are also interested in hearing from employers, software providers and accountants on the practical implementation of this policy, and from civil society groups and others who may have ideas and knowledge relevant to this important initiative." The consultation closed on 5 October.

At the point of writing, the CIPP's policy and research team were running a survey to collate the views of payroll professionals.

Definitions

The consultation explored a variety of areas relating to the relief that will be provided to employers, with emphasis placed on differing definitions.

The government intends to use an established definition of 'armed forces', which includes all branches of HM armed forces and the Brigade of Gurkhas. There was overwhelming support for this within preliminary responses to the survey, with 93% in agreement.

Although the established definition includes 'Reserve' organisations within HM armed forces, the government proposes to exclude employment of reservists from this relief. Some 80% of respondents stated that they felt that this was correct, but with all agreeing that it is important to clarify the exact definitions of these elements of the policy to ensure that the relief is accurately administered.

The consultation also discussed the appropriate definition of 'civilian employment'. The proposed definition relates to an individual who is gainfully employed in Great Britain and Northern Ireland, either under a contract of service or in an office with earnings, but where that employment is not part of HM regular armed forces. It is hoped that this will keep the relief as simple as possible to administer. Four in five respondents to the survey agreed with this.

...to seek views on policy design to ensure the relief is as effective as possible.

Eligibility

Several questions were raised within the consultation in relation to eligibility requirements for the employer relief. One of the main queries related to whether somebody needs a specific length of service in order to be classed as a veteran. A resounding number of survey respondents stated that this should be the case.

It was widely accepted that the relief should not be restricted to those veterans who left HM armed forces in tax year 2021/22, and that it should be available regardless of when an individual stopped serving. Support for only allowing an individual this relief once in their lifetime, and not multiple times if returning to and leaving HM armed forces, was also clear within the survey responses.

A substantial chunk of the consultation was dedicated to the precise definition of the initial twelve months of civilian employment. The government has proposed three different options, as follows:

1. The relief will be available for twelve months starting from the veteran's first day of civilian employment. In this option, the relief will be available for multiple concurrent employments during the twelve-month eligibility period.
2. The relief will be available for twelve months of civilian employment, and subsequent breaks in employment do not 'use up' the relief. In this option, the relief will be available for multiple concurrent employments for twelve months of employment.

3. The relief will be available for a veteran's first civilian employment for twelve months. In this option, this relief will only be available for the first civilian employment after a veteran has left HM regular armed forces for twelve months.

The government indicated its preference for option one, as it is felt that this will prevent exclusion of veterans who undertake any temporary work immediately after leaving HM armed forces, but still ensures that the claims process is as simple as possible.

Option number two proved to be most popular amongst survey respondents (53%), followed by option three (27%), with the government's preferred option the least favourable (13%).

(See Examples for how it is envisaged the three options would work.)

Administration

It is proposed that for the first year the holiday will not be directly administered via real time information (RTI), but instead a transitional arrangement will be implemented for tax year 2021/22. This arrangement will mean that organisations must pay the employer NICs amounts for that year as they ordinarily would, but will receive the amount of the relief they are entitled to via a credit to their pay as you earn (PAYE) account after the tax year has passed.

From tax year 2022/23 onwards, the class 1 employer NICs will be claimed through the PAYE RTI full payment submission (FPS), to mirror other employer reliefs that are currently available. One example of this is employees on NICs table letter M, which is applied to employees aged below 21, meaning that the employer does not pay any secondary NICs on any amount below the upper secondary threshold, which sits at £50,000 per annum for the current tax year.

Initial responses to the survey indicate that the majority of payroll professionals believe that the transitional two-stage approach for the initial year of the relief is appropriate, with 64% confirming their agreement, but 36% stating otherwise. Comments relating to this proposal suggest support for utilising an existing NICs table letter to administer the relief via RTI in its initial year. Similarly, there are suggestions that a new NICs table letter should be established and be available to use from 6 April 2021 onwards. This was explored further in an additional question, which highlighted the fact that 67% of respondents felt that a new NICs table letter should be established and utilised, whilst 20% suggested using NICs table letter M in order to make the relief easier to administer.

...would not encourage organisations in hiring veterans, with 64% confirming...

Evidence and record-keeping

The evidence and record-keeping requirements are always key concerns when implementing new policy that impacts payroll. The government suggests that an employer must be able to check and maintain records which demonstrate:

- the individual is a veteran
- the start date of the veteran's first civilian employment
- the end date of the veteran's employment
- the employment is the individual's 'first' since leaving HM armed forces.

There are a number of documents that can be used as evidence of the above, and survey respondents were pretty much evenly split over whether or not the evidence requirements would deter employers from hiring veterans and claiming the relief. Some 57% confirmed that they believed it would not act as a deterrent, with 43% stating the opposite.

Potential reach of the new relief

The final and ultimate question of the survey asked payroll professionals whether they believed that entitlement to an employer NICs holiday would incentivise their businesses to employ either their first, or additional, veterans. Unfortunately, an overwhelming number of individuals felt that this would not encourage organisations in hiring veterans, with 64% confirming this. Some of the associated comments made it clear that their employer would hire a veteran on the basis of their skill set, experience, and suitability for the role, and not due to the employer NICs relief on offer.

On an additional note, the responses to the survey all indicate that the new relief should be as simple to administer as possible, and this is applicable when establishing definitions, eligibility, evidence and record-keeping. This is to ensure that administrative burdens do not dissuade employers from accessing the new relief and are encouraged to hire veterans. ■

Examples

The examples in the consultation document, show how options 1, 2 and 3 might work in the following scenario.

A veteran leaves HM armed forces on 12 December 2020, and:

- enters their first civilian employment on 5 May 2021, leaving that employment on 5 August 2021
- works at a pub from 5 June 2021 to 5 September 2021 (i.e. partly concurrent with the first employment)
- commences employment on 5 October 2021.

Under option 1, the veteran's:

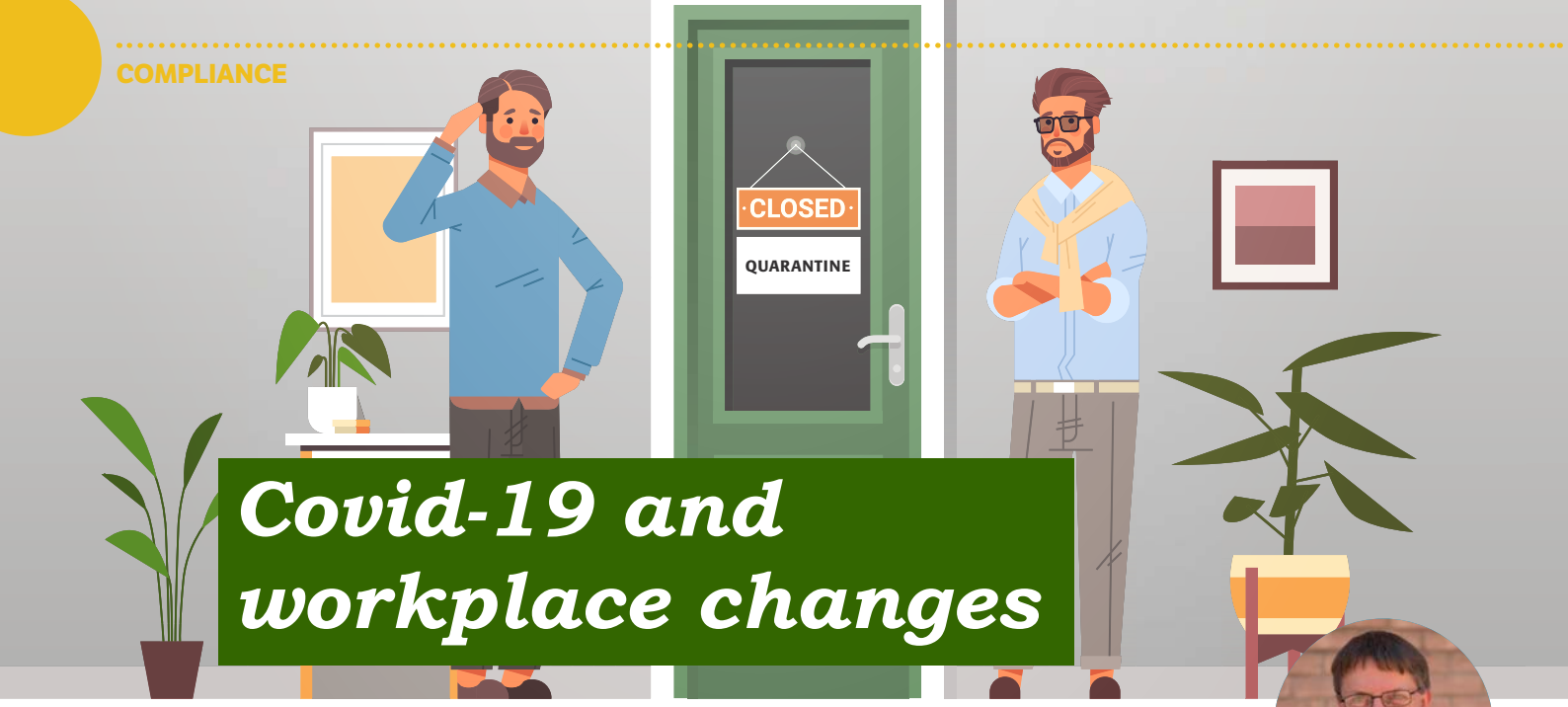
- first employer is eligible to claim the relief for the period 5 May 2021 to 5 August 2021 (three months)
- second employer (the pub) is eligible to claim the relief for the period 5 June 2021 to 5 September 2021 (three months)
- third employer is eligible to claim the relief for the period 5 October 2021 to 4 May 2022 (seven months).

Under option 2, the veteran's:

- first employer is eligible to claim the relief for the period 5 May 2021 to 5 August 2021 (three months)
- second employer (the pub) is eligible to claim the relief for the period 5 June 2021 to 5 September 2021 (three months)
- the third employer is eligible to claim the relief for the period 5 October 2021 to 5 June 2022 (eight months).

Under option 3, the veteran's:

- first employer is eligible to claim the relief for the period 5 May 2021 to 5 August 2021 (three months)
- second (the pub) and third employers are not eligible to claim the relief.



Covid-19 and workplace changes

John Harling, principal employment taxes consultant at **PSTAX**, reveals the tax and NICs implications

One of the many effects of the Covid-19 pandemic has been to make a number of organisations – including those in the public sector – seriously consider how they provide office accommodation and what will be their future requirements.

During the pandemic virtually all public bodies have required or allowed staff to work from home, where they are able, and this looks set to continue for the foreseeable future. This has consequences for expenses payable (e.g. homeworking allowances, travel costs) and the applicable tax/National Insurance contributions (NICs) treatment. However, more fundamentally some organisations are considering selling-up and moving out of their main accommodation altogether. In addition to staff working from home, this could involve moving to smaller premises, relocating staff from main premises to different hub locations, or a combination of these. Such changes will lead to tax/NICs-related issues.

By way of reminder, the current position is that an individual working from home under agreed homeworking arrangements – whether or not this is related to Covid-19 – can be paid £6 per week/£26 per month free of tax/NICs if the criteria below are both met. The allowance is intended to cover the additional cost for heating/lighting etc incurred when working from home. The two conditions are:

- there must be arrangements between the employer and the employee, and
- the employee must work at home regularly under those arrangements.

There is no provision in the rules for the rates to be reduced if the employee works part-time, although it is generally the case that employers paying this allowance do so on a pro rata basis in the interests of fairness.

An exemption applies to the provision of office equipment for staff required to work from home, subject to certain criteria being met:

- the equipment is provided other than on the employer's premises (e.g. employees who work at home or whilst travelling), for the sole purpose of enabling the employee to perform the duties of the employment, and
- any use for the employee's private purposes is not significant.

The exemption is predicated on the employer providing the equipment, so it does not apply if the employee purchases the equipment and is reimbursed the cost. However, as part of temporary relaxations put in place during the pandemic, HM Revenue & Customs (HMRC) has introduced a new exemption to apply until 5 April 2021 under which, if the employee initially purchases the equipment and is then reimbursed by the employer, no tax/NICs implications arise. A strict interpretation of the exemption in cases of reimbursement would require this to be on the condition that all employees are entitled to receive the benefit on the same basis, although there is no mention of this in HMRC's updated guidance.

Where an employer provides an employee with office equipment to allow them to work from home, without transfer of ownership, there is no tax charge when the employee returns the equipment. However, if the employer transfers ownership to the employee at any stage of their employment, a benefit charge arises on the market value of the equipment at the time of transfer less any amount made good by the employee.

Where an employee agrees to purchase their own home office equipment for use whilst working at home as a result of Covid-19 and the employer reimburses the expense on the basis of receipts, ownership of the equipment rests with the employee unless the employer has specified that ownership transfers to the employer. There is no benefit-in-kind charge if the employee is allowed to keep the equipment as they already own it.

Although the tax system supports employers in providing additional help to staff working from home, this help represents additional costs and many public sector employers with large workforces have been somewhat reluctant to incur. After all, employees are saving home-to-work travelling costs. Therefore, employers have to weigh this additional cost against benefits derived; e.g. increased

...£6 per week/£26 per month free of tax/NICs if the criteria below are both met.

goodwill at a time when many employees are finding it difficult to adjust.

In the event that employees are required to change their normal place of work because the employer disposes of their workplace premises, various scenarios may arise. Please see the examples and the ensuing issues to be addressed.

Examples

(A) Some or all employees are designated as home-based – This scenario could arise because the employer no longer has office facilities – or the size of office space available has reduced – due to selling main offices/buildings. Therefore, if it is accepted that the employees are genuinely home-based, then any travelling expenses they incur for home to temporary place of work journeys would be regarded as business travel and be allowable for tax/NICs purposes. Of course, the employer may choose to pay these costs fully, partially or not at all.

If the employer retains some office facilities, a genuinely home-based employee may be undertaking an allowable journey by travelling to them from home provided these do not become a permanent workplace. They would become permanent workplaces if the employee visited them on a regular basis or if HMRC did not accept that home was a permanent workplace. It is strongly recommended that if the employer considers the employee may be home-based proper advice be taken to ensure that there are no nasty surprises from a tax/NICs perspective.

(B) Some or all employees are required to change their permanent workplace – If, instead of being designated home-based, some employees are required to relocate to other offices owned/rented by the employer, the new locations will become their permanent workplaces. Therefore, travel from home to these new permanent place(s) of work would not be allowable for tax/NICs purposes.

An employer may choose to pay any additional costs that the employee has to incur if the home-to-work journey is longer than previously the case, but payments would be subject to tax/NICs via the payroll. In cases where employees work flexibly, i.e. partly at employer-owned premises and partly from home, journeys from home to the employer-owned workplaces would still be regarded as private journeys and not allowable for tax/NICs purposes.

(C) Some or all employees are only permitted to work in the main building on certain agreed days – If office space is reduced and the employer introduces a policy whereby employees work in the office on agreed days and from home the rest of the time, it is highly likely that the office location would still be regarded as a permanent workplace, with journeys on the days in question still be regarded by HMRC as private and so not allowable for tax/NICs purposes. The office would not qualify as a temporary workplace because it is where the employee is required to undertake the substantive duties of the job on an ongoing basis. This would be the case even if the employee were designated as home-based on the days when not travelling to the office.

...employers should ensure that these matters are addressed through their internal policies and procedures...

(D) Some or all employees are only permitted to work at hub buildings and/or on a 'hotdesking' basis on certain days – In this scenario the employer could require the employee to work at hub buildings and/or work on a hotdesking basis by booking in advance on certain agreed days at a number of different venues. As with Example C, such locations would continue to be regarded as permanent workplaces even where the employee was designated as home-based on the days when not travelling to the office.

Other issues

In addition to issues regarding travel expenses and help for home-based staff, there are other tax-related issues to consider.

- ***Subsistence*** – In addition to mileage and travel costs, reasonable subsistence costs are allowable for tax/NICs purposes where an employee is required to attend a temporary workplace for genuine business purposes. Therefore, care should be taken to ensure that this is only paid without tax/NICs being applied where the place visited properly qualifies as a temporary workplace. As can be seen from above, it will often still be the case that the locations where the work is undertaken will not qualify as temporary workplaces.
- ***Cycle to work*** – If an employee's normal place of work changes to a location that is further away from home and they used a bicycle under the employer's cycle-to-work scheme, they may cease to be able (or choose not) to use the bicycle for this purpose to the new location. This may mean that the conditions for the tax exemption are no longer met. Under the terms of the relevant exemption the majority of the use must be for travelling between home and work and for business travel, so this is unlikely to apply if the bicycle is no longer used for travelling to work.
- ***Relocation expenses*** – If an employee's normal workplace changes and they move home to be nearer the new workplace, it may be agreed that the employer meets certain relocation expenses. However, note that the tax exemption on qualifying relocation expenses – up to the statutory limit of £8,000 – will only apply where the former main residence is no longer within reasonable travelling distance of the new workplace and that the new main residence is within reasonable travelling distance. There is no definitive measure of what constitutes 'reasonable' in such cases and factors such as quality of the public transport and roads in an area would need to be taken into account. A critical assessment would need to be undertaken to determine whether the exemption may apply.

Summary

The changes we are seeing as a result of the pandemic and where and how employees are working have to be carefully considered from a tax/NICs perspective. These could potentially have significant consequences and employers should ensure that these matters are addressed through their internal policies and procedures to maintain continuing compliance. ■

Strategic payroll

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

The remit of payroll has grown significantly in recent times. Even in just the last decade, new responsibilities, legislation and technologies have seen the function become more important to an organisation than ever. But to what extent is payroll playing a strategic role within business?

To find out, I spoke to four shining lights at the sharp end of the industry:

- *Karen Beckett BA(Hons) ChFCIPP*, head of payroll & benefits, payroll & pension, Dorset HealthCare University NHS Foundation Trust
- *Louise Gray ChMCIPP,* head of transitions & operations, EY Absolute
- **Michelle Sutton MCIPPdip,** head of reward & pensions, SUEZ
- *Sharon Tayfield MCIPP,* GPS director, global outsourcing, BDO.

In what ways is payroll now playing a more strategic role for organisations, as opposed to simply paying people the right amount at the right time?

Karen Beckett: Payroll has been moving into all aspects of reward to include pensions and salary sacrifice schemes as well as looking at ways in which financial wellbeing contributes towards individuals' health and wellbeing.

Additionally, organisations are becoming aware of the importance of having payroll teams on board with certain decision making so that the impact on pay can be taken into account as well as ensuring that they do not fall foul of any tax implication of their decision making.

Efficiencies are also high on organisations' agenda and they are looking at ways in which more can be automated both within payroll and how employees interact with the payroll teams.

Louise Gray: With greater access to information and AI (artificial intelligence), the role of payroll has undergone a massive change in the last number of years. Payroll teams now have the capability to analyse information and identify the real-time trends and patterns, allowing them to make recommendations for improvement.

The strategic payroll function enables an organisation to realise benefits that can then be directed to more strategic elements. Payroll is required to work closely with other teams within an organisation and embrace digital innovation; this means payroll personnel are required, with the right skills and knowledge, to step outside of their normal 'payroll' comfort zones and collaborate effectively.

> ***...capability to analyse information and identify the real-time trends and patterns, allowing them to make recommendations...***

...The responsibility of payroll goes far beyond the number-crunching and administration tasks...

Payroll data has a greater role to play within organisations, empowered and enhanced by technology, helping to provide better insights into HR (human resources) and payroll so teams can have a greater understanding and act accordingly.

Michelle Sutton: Payroll has played a more strategic role in a lot of large organisations for years now. Payroll is far removed from how it used to be. There are so many complexities to it now, with ever-changing legislation. And with the introduction of benefits and opportunities to payroll benefits, the payroll and reward managers are now consulted often prior to decisions being made because they have the technical understanding of how to implement and operate new initiatives.

There's more awareness of the challenges payroll departments are faced with when looking at the national minimum wage and the introduction of the living wage, as they are responsible for interpreting the legislation, and their first challenge is to understand the category of workers they employ. This is certainly not easy.

Sharon Tayfield: Employee experience – with regards to how they are paid and their interactions with payroll – is becoming an important metric for many global organisations.

Payroll has a strategic role to play in ensuring that employee experience is positive.

Employees are becoming accustomed to technology that provides them with the ability, on demand, to determine their benefits and access other key payroll information. Payroll may therefore be required to consider automation, cloud solutions or even on-demand pay, which is gaining momentum in some regions of the globe.

In what ways is the payroll function working strategically with other closely related operations such as finance and HR?

KB: Payroll has always worked closely with finance and payroll. But payroll is leading the way, and beginning to lead projects to ensure that payroll maintains integrity and HMRC compliance. The value of the whole reward package is now dominant rather than just the pay value, and payroll is now working with colleagues across the whole organisation to support employee health and wellbeing.

LG: There has been a major shift from HR's more traditional function of tactical management of employees to the development of strategic insight and the creation of best practice and value.

Technology helps to provide a single, consistent HR experience for all employees, regardless of where they are located or how they access the system and all these things allow for an engaged and empowered workforce.

Payroll should be the basis of an immense amount of data, chronological and geographic, demographic and functional, from which can be derived a wealth of information and insight. Payroll trend analysis and analytics could provide entities with a tangible competitive advantage, underwriting the best-informed decisions.

MS: At SUEZ each of these functions work in unison to ensure their policies and procedures meet current requirements as well as compliance. Our HR team works closely with payroll, identifying areas that need to be adapted to ensure company goals are met.

We have been working on a transformation project for the last twenty months, which has involved working closely with operations, HR and finance to consolidate data, share best practice and reduce duplication of activities. This involved mapping out 'as is' and 'to be' procedures and remove all waste processes that did not add value. Successful projects like this build our department's reputation and instills trust.

ST: Often, payroll is the single largest expense for an organisation and as such the collaboration with finance strengthens financial reporting and tax compliance – both of which are normally the responsibility of the finance team. With the large amount of payroll-related legislation that impacts HR – such as how employee benefits are treated in different countries – now more than ever payroll needs to be working with HR to ensure that the global benefits an organisation is considering are both correctly reported and that they would indeed bring real benefits to a global organisation.

Providing feedback to both HR and finance teams on trends that payroll is able to view from the large amount of data that they hold is key to ensuring that an organisation is making the informed decisions.

Should payroll be represented at board level, and if so, why?

KB: There does need to be a representation at board level for payroll. People are the most important asset for an organisation; likewise, pay is usually the highest expenditure and both need to be looked after as well as understood. Understanding people and pay can support a company in improving output and efficiencies. Payroll will have the underlying knowledge of the link between people and pay.

However, I don't feel representation necessarily needs to be in person. Providing there is a strong director-level connection who can fully represent payroll and communicate with payroll, there does not need to be a payroll director. There are ways in which information can be bi-directionally communicated and providing these links are strong, representation at board level should be achieved.

LG: The pandemic has shown the world of business something that all payroll professionals knew already: we have a vital role to play with the economy, and business is reliant on the payroll function. We must elevate our status to the boardroom and become equal to our finance colleagues. With the function of payroll continuing to evolve, it is now the time to stop seeing payroll as an offshoot or bolt-on to the HR or finance function and instead look at giving payroll a stronger voice.

MS: I don't necessarily believe payroll needs a seat at the board table but it certainly helps the business when payroll is consulted or asked to provide information that helps facilitate the conversation and helps influence decisions being made.

ST: Payroll should definitely be presented

at the table at board level. Payroll is often the single biggest operational cost for a business. The responsibility of payroll goes far beyond the number-crunching and administration tasks.

We have seen a vast amount of legislation over the last five years globally which directly impacts payroll, not forgetting data protection legislation. The global pandemic events have also seen vast changes in legislation, covering statutory contributions in terms of the timing of payments and the calculation of contributions.

Payroll departments are therefore dealing with more complex matters than ever before and its voice at board level is becoming a necessity – especially when decisions regarding global expansion are being made. Payroll is also the holder of a range of data that can assist boards in making informed decisions.

In what ways do you see the role of payroll growing strategically within organisations?

KB: Payroll is in a strong position as a result of the pandemic. Organisations have recognised payroll teams as key workers and the profile of payroll has increased. I believe payroll is being seen as the 'go to' place for information, as payroll has a strong database that is possibly more accurate than that of other teams due to the nature of the work.

Going forward, the payroll team will move significantly forward into being a reward team so that everything is in one location. Compliance being an important factor for organisations will mean that payroll will support organisations with HMRC legislation as well as terms and conditions of service.

Health and wellbeing of employees is also a prominent focus and therefore the support payroll teams can give regarding financial education of pay will also be a strong focus going forward.

LG: Done well, the payroll function is invisible due to its professionalism and diligence, yet it represents a huge percentage of a business's expense.

Payroll is an important function in ensuring morale, reputation and legal compliance are upheld.

MS: I see payroll growing strategically when involved in providing business information dashboard matrix data, which will highlight true employee costs and trends within the business.

ST: With the amount of data at hand, payroll departments can analyse that information and identify trends and patterns within an organisation. Payroll can then make recommendations for improvement and bring new insight into decisions that organisations face on a day-to-day basis. A happy workforce translates into a workforce that achieves the business targets.

Should payroll be considered as part of an organisation's 'reward' operation or does that detract from the unique nature of the function?

KB: For me, payroll is already part of the reward operation by covering pensions, staff benefits and expenses. The reason for this is the close interaction between each component of the reward package. The total reward statements for individuals detail the full reward package, clearly showing the link between them.

It is reward that is the unique function and payroll is part of that function. How the function will develop in the future will be interesting to see as I believe the payroll and reward industry is moving towards being formally recognised as requiring experts in each aspect, with a career pathway.

LG: The term reward generally covers the financial requirements made to attract and retain employees. They can include cash payments as well as the wider benefits package, for example pension provision, annual leave, car allowance and bonus.

Payroll and the reward operation are very different, and if we are to continue raising the profile of payroll we need to establish payroll in its own right to be equal to our tax and audit colleagues. We are compliance champions – ensuring compliance is a fundamental of the role that we do and we need to be more proactive in celebrating our successes in our own right.

MS: The payroll, pensions and HR systems functions all report to the head of reward at SUEZ recycling and recovery, and I believe this works really well. Personally, and talking from my own experience, I believe the reward role is intrinsically linked to the payroll function; it's key to have a level of expertise and technical understanding to ensure compliance and also for the board to have confidence that their business, in terms of employee remuneration, is in safe hands.

ST: Payroll can assist reward teams in achieving the optimum reward package for an organisation from a cost perspective. Any reward package needs to meet the business objectives and the sector norms, but at the same time be tax efficient to ensure that employees take home the maximum that they can. Therefore, payroll certainly has a role to play within an organisation's reward operation, but I would not see it as being reporting into the reward function. ■

...reward role is intrinsically linked to the payroll function; it's key to have a level of expertise and technical understanding to ensure compliance...

CJRS and JSS: effects on pensions

Ian Neale ACIPP, director, Aries Insight, summarises the rules and details

The coronavirus job retention scheme (CJRS) began in March 2020 and was twice extended, first to 30 June and then later (subject to some significant changes) to 31 October 2020.

Under the CJRS in its original form the government paid cash grants of 80% of furloughed workers' wages up to a maximum of £2,500; plus the associated employer's costs, comprising:

- National Insurance contributions (NICs) and
- pension contribution up to the level of the automatic enrolment (AE) statutory minimum employer contribution, i.e. 3% of qualifying earnings.

Employer pension contributions (and any other benefits) paid via salary sacrifice do not qualify for reimbursement. This is significant as many employers operate salary sacrifice, by agreement with their workers, for AE.

Usually the scheme rules or governing documentation will define pensionable pay as the notional pre-sacrifice pay. The amount the member sacrifices is paid across to the pension scheme as part of the overall employer contribution. There is no obligation under the pension scheme rules or governing documentation for the member of staff to contribute.

When calculating 80% of a furloughed worker's salary or wage, the reference salary or wage to use is the amount after the salary has been sacrificed.

All of the grant received from government to cover the furloughed worker's pay must be paid to them in the form of money. The pay during the furlough period should be treated as the post-sacrifice pay so that no further sacrifice is made on that amount.

The employer is able to claim from the CJRS the lower of the amount actually paid to a registered pension scheme for an employee and 3% of qualifying earnings (i.e. monthly earnings above £520, but only up to the £2,500 CJRS compensation limit). However, this will often be insufficient to satisfy their employer duties: they might have to pay more and/or the furloughed employee to pay more, to make up the full 8% minimum of qualifying earnings paid to the employee.

> ***...the employer will need to meet all NICs and statutory pension contributions.***

Three significant changes were made when the CJRS was extended beyond 30 June:

- Staff on furlough under the CJRS may now work part of the time for their employer (and claims made for the pro-rated equivalent of the lower of 80% of salary/wages and £2,500 per month).
- The maximum grant reduces to the lower of 70% of the reference wage or £2,187.50 (pro-rated if the member of staff is also working part of the time after 1 July 2020) in September 2020, and the lower of 60% or £1,875 (pro-rated if the member of staff is also working for part of the time after 1 July 2020) in October 2020.
- For claims starting on or after 1 August 2020, employers are no longer able to claim a grant for up to the statutory minimum AE employer contribution, or employer's NICs.

The new job support scheme (JSS) will run for six months from 1 November, replacing the CJRS. The government will contribute towards the wages of employees who are working fewer than normal hours due to decreased demand.

To be eligible, employees must:

- be registered on the employer's PAYE (pay as you earn) payroll on or before 23 September 2020, which means a real time information submission notifying payment in respect of that employee must have been made to HM Revenue & Customs on or before 23 September 2020; and
- work at least 33% of their usual hours.

The government will consider whether to increase this minimum hours threshold after the first three months of the scheme.

All employers with a UK bank account and UK PAYE scheme can claim the grant. Neither the employer nor the employee needs to have previously used the CJRS.

Large businesses will have to meet a financial assessment test, so the scheme is only available to those whose turnover is lower now than before experiencing difficulties from Covid-19. There will be no financial assessment test for small and medium enterprises.

The employer will continue to pay the wages for the hours staff work. For the hours not worked, the employer and the government will each pay one third of their usual wages (capped at £697.92 per month).

This means that employees will receive at least two thirds of their usual wages for the hours not worked. Put another way, the employer will pay at least 55% (33% + 22%) of normal pay and the government will add 22%, making a total of at least 77%.

In a significant difference from the CJRS in its original form, the employer will need to meet all NICs and statutory pension contributions.

Claims under the JSS will start in December, with grants being paid on a monthly basis. The scheme will operate in addition to the job retention bonus. ■

Insolvency and the impact on employees

The CIPP policy and research team provide a useful reference guide

Given the impact of the pandemic and the economic and social turbulence it has caused across the globe, it is anticipated that cases of insolvency will increase significantly. Insolvencies mean that people or companies are in positions where they are unable to pay money that they owe, on time, and have to make special arrangements to try to pay these debts.

It is particularly important at this time that employees of companies that become insolvent know what their rights are, and also that they are aware of the processes which they need to follow in order to receive the help to which they are entitled.

There are different types of insolvency, such as: administration; liquidation; bankruptcy; receivership; company or individual voluntary arrangement; debt relief order (see table on opposite page).

An employer that is insolvent may make employees redundant, request that employees continue to work, or transfer them to a new employer if the business has been sold.

Employees may apply to the government for financial support, and may request a redundancy payment, holiday pay, outstanding payment for elements such as unpaid wages, overtime and commission, and any money that they would have earned from working their notice period (known as statutory notice pay (SNP)).

Employee rights

Employees have different rights depending on the actions of their employer. If an employer makes employees redundant, they must have a consultation to discuss why redundancies are happening, and if there are any alternatives. This does not necessarily need to be done directly with employees. The person responsible for dealing with the insolvency, who will be referred to as the 'insolvency practitioner' or 'official receiver' must advise affected employees how their job is affected and what the next steps to take are. They must also provide a RP1 fact sheet and a 'CN' (case reference) number for use when applying for any monies owed.

Employees can apply to court for compensation in scenarios where they believe that they were either dismissed unfairly or where they were not consulted in the correct way. They can make claims to the employment tribunal and can claim for a 'basic award' if they were dismissed unfairly or a 'protective award' where there was no consultation about the redundancy.

If an employer requests that an employee continues to work for them after they become insolvent, the employee still has the option of claiming for redundancy pay and any other monies owed at a later date. They cannot, however, claim holiday pay, wages, bonuses or commission that is owed between the date of the insolvency and the date that they were dismissed.

If an employee is transferred to a new employer, then that employee cannot claim any money from the government, in cases where they were transferred prior to the former employer becoming insolvent. Where employees were transferred afterwards, they can make an application.

Employee entitlements

An employee's entitlement will depend on a variety of factors, including how long they were employed for, what was in their employment contract and their age. Employees are ordinarily entitled to redundancy pay where they were continuously employed by the insolvent business for two years or more and have been made redundant. The statutory payment structure is as follows:

- half a week's pay for each full year employed, and under 22 years old
- one week's pay for each full year employed, and aged between 22 and 40 years old
- one and a half week's pay for each full year employed, and aged 41 and above.

These payments are capped at a maximum of £538 per week for tax year 2020/21, and employees can receive payment up to a maximum of twenty years that they were employed at the business.

Employees can receive up to eight weeks of money they are owed. Employees may be paid for holiday pay accrued and holiday days taken that they were not paid for in the twelve months prior to their employer becoming insolvent. Payments are capped at a maximum of six weeks of holiday days, and also at £538 per week.

Employees are entitled to a paid notice period in scenarios where they are made redundant, even if this is not in their contract. They may claim for SNP if they didn't work a notice period, worked some of their notice period or where they worked an unpaid notice period. SNP consists of one week's notice for each

...important at this time that employees of companies that become insolvent know what their rights are...

year the employee was employed, up to a maximum of twelve weeks.

Where to claim

Anyone who was an employee and is a UK or EEA (European Economic Area) national, or a foreign national with permission to work in the UK, can apply for the money they are owed. Eligible individuals should apply within six months of dismissal. Where there is a request to claim for loss of notice pay, this should be included in the application, and a letter will be sent out to confirm to individuals when they are able to apply for it.

Applications can be made as soon as someone has been made redundant, but individuals must have the 'CN' number that the 'insolvency practitioner' would have provided them with. Applications for redundancy, unpaid wages and holiday pay can be made here.

...benefits an individual is eligible to claim will be deducted from the statutory notice period...

The process for claiming loss of notice pay is slightly different, and applicants require a 'LN' reference number in order to submit a claim. This will be sent after an individual's notice period would have ended, which is ordinarily no more than twelve weeks after dismissal. Even where employees are not owed any redundancy money, they must apply for redundancy first. Applications for loss of notice pay can be made here.

Anyone struggling to complete the online forms, should contact the Redundancy Payments Service for assistance. They will need their 'CN' number or National Insurance number. The team can be contacted at redundancypaymentsonline@insolvency.gov.uk.

It can take up to six weeks to receive payment, but it can be longer. Information will be checked against employer records to establish, for example, how much holiday someone had accrued. Any benefits an individual is eligible to claim will be deducted from the statutory notice period, even where benefits were not claimed.

If an application is rejected, the advice is to contact the Redundancy Payments Service which will give the reasons for the rejection. Where an individual disagrees with the decision, they can make a claim to the employment tribunal. ■

Glossary of terms linked to insolvency

Administration – The objective is the rescue of the company as a going concern, or if this is not possible then to obtain a better result for creditors than would be likely if the company were wound up. A licensed insolvency practitioner (LIP), 'the administrator', is appointed to manage the company's affairs, business and property for the benefit of the creditors.

Bankruptcy – A form of debt relief available for anyone who is unable to pay their debts. Assets owned will vest in a trustee in bankruptcy, who will sell them and distribute the proceeds to creditors. Discharge from debts usually takes place twelve months after the bankruptcy order is granted. Bankruptcies result from either debtor application – where the individual is unable to pay their debts, and applies online to make themself bankrupt, or by creditor petition – if a creditor is owed £5,000 or more, they can apply to the court to make an individual bankrupt.

Company voluntary arrangement (CVA) – These are a voluntary means of repaying creditors some or all of what they are owed. Once approved by 75% or more of creditors, the arrangement is binding on all creditors. CVAs are supervised by LIPs.

Compulsory liquidation – A winding-up order obtained from the court by a creditor, shareholder or director. See *Liquidation* for details on the process.

Creditors' voluntary liquidation – Shareholders of a company can themselves pass a resolution that the company be wound up voluntarily. See *Liquidation* for details on the process.

Debt relief order (DRO) – A form of debt relief available to those who have a low income, low assets and less than £20,000 of debt. There is no distribution to creditors, and discharge from debts takes place twelve months after the DRO is granted.

Deed of arrangement – An alternative way for a debtor to deal with their affairs than entering into bankruptcy or an individual voluntary arrangement (see below). Deeds of arrangement require the approval of a simple majority of creditors in number and value, and do not require a nominee, report to court or a meeting of creditors to be held.

Individual voluntary arrangement (IVA) – This is a means of repaying creditors some or all of what they are owed. Once approved by 75% or more of creditors, the arrangement is binding on all. IVAs are supervised by LIPs.

Liquidation – This is a legal process in which a liquidator is appointed to 'wind up' the affairs of a limited company. The purpose is to sell the company's assets and distribute the proceeds to its creditors. At the end of the process, the company is dissolved – it ceases to exist.

Partnership winding-up orders – This is similar to the liquidation of a company. When the partners have decided that the partnership has no viable future or purpose then a decision may be made to cease trading and wind up the partnership. There are two basic ways that the partnership can be wound up: the creditors petition and a partner's petition.

Protected trust deeds – These are voluntary arrangements in Scotland and fulfil much the same role as IVAs in England and Wales. However, there are differences in the way they are set up and administered.

Receivership appointments – Administrative receivership is where a creditor with a floating charge (often a bank) appoints a LIP to recover the money it is owed.

Sequestration – This fulfils much the same role in Scotland as bankruptcy in England and Wales.

BACS processing calendar

THE BACS processing calendar for 2021 is now available at https://bit.ly/3iFlsGQ. Amongst other things, the calendar provides details of the processing arrangements for multiple bank/public holidays in 2021 at Easter and Christmas/New Year, showing by payment arrival date the processing and latest submission dates. (The processing calendar for 2020 can be found here: https://bit.ly/3eLlBIf.)

Care workers' travelling time claims

IN EARLY September, a four-year fight by care workers for payment of time travelling was settled by the employment appeal tribunal (EAT) issuing judgement setting out the amounts of pay they were to be paid by their employer. The care workers, most of whom were women, travelled to the homes of service users, incurring lengthy journeys along with waiting time for which they received no payment. Their claims were supported by their trade union.

Originally, Sevacare had been commissioned by Haringey Council, London to provide care services for the sick and elderly. The contract, however, passed to Kaamil Education, Diligent Care Services, and Premier Carewaiting. The employers agreed to pay the amounts due within 21 days of the judgment.

The settlement calculations, which were in accordance with the terms consented to by the parties, produced amounts due totalling in excess of £100,000. The respondents did not oppose the method of calculation and did not put forward an alternative method. The claimants asked for their methodology for calculating the various claims to be appended to the judgment as a useful guide to similar claims arising in the care sector.

The judgment comments that "Calculating NMW compliance where the claimants make multiple care visits each day is a labour intensive and costly exercise. The employment tribunal ordered the claimants to provide schedules of loss by reference to a single pay reference period as a proportionate way to approach compensation, with the underlying premise that the reference period is likely to be reasonably illustrative of the loss, used to calculate the multiplicand.

"The reference to all working time in the schedules of loss includes hours worked, travel time and waiting time. However, the claimants have approached the calculation of their losses in a conservative way … [which] favours the respondents."

Bursary payments to apprentices who are care leavers

HM REVENUE & Customs (HMRC) has issued guidance confirming that employers do not have to pay any tax, National Insurance contributions and do not have any reporting requirements for the bursary payment to apprentices who are care leavers or in the care of a local authority. This exemption applies for apprenticeships beginning on or after 1 August 2018.

The £1,000 bursary payment is made by the Education and Skills Funding Agency to apprentices who are: aged between 16 and 24 and starting an English apprenticeship. For more information see: https://bit.ly/30IyE7V.

Diary dates

Last day of tax month 7	5 November
First day of tax month 8	6 November
Last day for submitting a real-time information employer payment summary to apply to tax month 7	19 November
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 November
Last day of tax month 8	5 December
First day of tax month 9	6 December

'Consolidation' is the current buzzword

Henry Tapper, chief executive officer of **AgeWage,** explains developments in pensions

Pension consolidation is so politically correct, it's verging on 'woke'. Why this headlong rush to bring pensions together?

We should start with the latest consultation from the Department for Work and Pensions (DWP) which focusses on the social advantages of investing in Britain's infrastructure or what the woke call 'patient capital'. The trouble with housing estates, hospitals, motorways and bridges is that they cost a lot and are not the sort of thing that your average fund can purchase. But combine a few £100million schemes into a £1billion scheme and the £50million infrastructure project just became viable.

Which is why the pension minister is calling for the trustees of defined contribution pension schemes worth less than £100million, to prove they are worth the candle though a value for money (VFM) assessment. If they cannot pass muster on VFM, the trustees should find their way to their nearest billion-pound master trust, hand over the assets and wind up the trust.

The Financial Conduct Authority (FCA) are saying much the same to the independent governance committees (IGCs) of the contract-based workplace pensions (what used to be called group personal pensions). Each employer's workplace scheme needs to get its value assessed and the IGCs, assuming VFM not in great supply, should suggest suitable alternatives. (The FCA actually mentions NEST and People's Pension as alternatives.)

Here, the driver is improving saver outcomes – 'bigger pension pots', to use everyday language. It's thought that many insurers can't cut the mustard compared with the multi-employer master trusts that have come to prominence under auto-enrolment.

Add to this an announcement in September that the government is looking at ways to reduce 'pot proliferation' as a result of people moving jobs and enrolling into several different workplace pensions without moving pension pots together. Some master trusts are struggling to maintain small pots and pay a regulatory levy for each without putting up prices. Various options are being considered including the forcible consolidation of pots without member consent.

> ***...the government is looking at ways to reduce 'pot proliferation'...***

But consolidation isn't just the buzzword for defined contribution workplace pensions. The DWP recently sanctioned a new kind of pension consolidator for defined benefit schemes. These new 'superfunds' will be able to swallow assets and liabilities of individual trusts and will compete with the insurers for 'buy-outs'.

The DWP have gone so far as creating emergency regulations to get superfunds off the ground and the motivation here seems to be a fear that small schemes will not survive the ravages of the pandemic on smaller employer finances. Big is beautiful, if you are the Pension Regulator.

Another motivator for consolidation appears to be the general view that small schemes will not find it easy to participate in the soon to be delivered pension dashboard. 'Soon to be delivered', so long as the government can focus on the big pension schemes that have the resource to get their data in order. The government's fear is the long-tail of some 40,000 small pension schemes which, unless consolidated, will remain outside the dashboard's perimeter.

All this without considering the needs of ordinary folk to have their pensions in one big pot (rather than lots of tiny pots). Individual pension consolidation is one of the things the pension dashboard is supposed to be facilitating, but the delays the dashboard is experiencing suggest that the soon-to-be-delivered tag may arrive too late for hundreds of thousands of us who find we can access pension freedoms with little idea what to do.

The FCA has recently published data which suggests that the vast majority of us just cash in our pensions. The total number of plans fully withdrawn in 2019/20 remained steady at around 440,000 for the year with a value withdrawn of just under £5.7 billion. Well over half of the pots cashed-out were smaller than £10,000. People only started using their pots to provide pensions when the pots were greater in size than £30,000.

Considering the purpose of incentivising pension contributions though tax relief is to relieve poverty in later age, the use of pension pots to provide those in middle age with anything from Lamborghinis to caravans is an issue for government and society.

Small wonder that the government is introducing 'investment pathways' to encourage savers with small pots to consider other options than simply to take the cash. The facts presented by the FCA suggest that the best way to get people thinking about 'wage for life' solutions is to help people make pots bigger. That means saving for longer and bringing pots together prior to spending what's in them.

Consolidation is a long word and not often thought of in terms of individual savings. But perhaps in helping us to spend our pension savings that consolidation has the most important role to play for the consumer. ■

Time-saving tips

NEST's John Hale talks through how to avoid receiving late payment notices and what to do if it happens, saving you time and effort

We all want to complete our to-do list as efficiently and accurately as we can. But sometimes despite our best efforts there can be certain tasks that have a nasty habit of slowing us down or end up taking more time than they need to. One such issue payroll professionals may run into is facing an overdue contribution schedule.

How to get your contributions to us on time

Employers have a legal obligation to ensure pension contributions are paid and invested in the pension scheme by their payment due date. Failure to do so may result in being reported to the Pensions Regulator, which can be a stressful and worrying outcome. To avoid this happening, consider the following top tips when setting up and managing your contribution schedules.

● ***Understanding what a payment due date is*** – It is the date by when the employer must ensure contributions, or a reason for non-payment, for all current active members of the scheme are submitted to NEST. To make sure this happens you will need to submit the contribution schedule for payment at least five working days before the payment due date.

Also remember you can pay earlier; you don't need to submit the schedule at the last minute. Much better for you to do it earlier, which then allows time if things go wrong. For your workers it is also better as their pension money is invested earlier.

● ***Check your contribution schedules before submitting*** – It may seem obvious, but double-checking your schedules before you submit them could well save you time and stress later on. Before you submit a schedule for payment you should check that it's correct according to the amounts you were expecting from your payroll totals. Also make sure you have made a submission for all members on the NEST on-screen schedule.

● ***Make sure your date is achievable*** – Give yourself enough time to process payments after a pay period. Your payment due date is probably the one you chose when you first set up your NEST account. Perhaps it is time to review whether it is still appropriate. If you think your existing payment due date does not give you enough time you can change it by setting up a new NEST group with a different date. You'll then need to transfer the members from the old group to the new one.

Remember a payment due date cannot be any later than the 22nd of the month following the month in which the contributions were deducted from the members' pay.

● ***Enrol workers with the correct start date*** – An eligible jobholder's start date is the date they become eligible for auto-enrolment. This could be your duties start date, the day they turn 22 or join your organisation.

If you enrol a worker late, with a start date in the past, we'll expect a contribution for any earlier period, meaning they will appear on an old contribution schedule – triggering a late payment message.

● ***Make sure all member records are valid*** – When you provide information in a contribution schedule, we either need a payment or a reason for non-payment for every member. If a member record includes an error, you'll need to fix it before you can make a payment for that member. If you try to make a payment without fixing it, we will not accept the payment for that member.

Remember, you need to submit something for all members on a contribution schedule even if they have zero contributions in that pay period. You must also provide a valid reason code for the non-payment.

How to clear an overdue schedule

If you have received a late payment notification, don't panic! There's usually a straightforward reason for it; the most common are listed below.

● ***The payment hasn't cleared in our bank before the agreed due date*** – Ensure you allow enough time between submitting the contribution schedule and the payment due date, to make sure the payments can clear in our bank on time. For payments by direct debit you'll get two options each pay period: 'pay now', which means we'll collect the payment within five working days of your submission; and 'pay later', which allows you to specify a date you want the payment to be taken

● ***You haven't given us information for all members on the contribution schedule*** – To avoid a late payment notification being generated, you'll need to provide correct contributions or a valid reason for non-payment of contributions for all members.

● ***You haven't submitted the schedule for payment by clicking 'Submit schedule'*** – Remember after you have loaded your contributions, or reasons for zero contribution, you still need to click submit schedule to authorise the payment and to mark up the member's account with your submission. ■

...check that it's correct according to the amounts you were expecting...

For more hints and tips, visit nestviews.org.uk to watch our late payments video.

Employers' duties haven't changed

The Pensions Regulator provides an update, and a reminder that automatic enrolment duties have not changed, and employers must comply as normal

Professional bodies have reported that their members are busier than ever, with clients relying on their advisers to provide them with step by step guidance on the evolving business support schemes. And as we continue to face the unfamiliar, it has never been more important to keep protecting pensions.

Staff should not miss out on a pension because their employer failed to meet their duties. Agents should ensure that their clients are aware they continue to have automatic enrolment duties.

More than ever, finance and pension professionals need to ensure they are on top of the facts so they can confidently provide the right help and support.

The Pensions Regulator expects any missed contributions to be paid over to pension schemes, and then invested as promised to help deliver the retirement outcomes people expect. We are monitoring pensions closely and we will take enforcement action where an employer is not complying with their legal duties.

In one example, we followed up a report that a major global restaurant operator had not paid across £45,000 in missing staff contributions for its UK business. The payment has now been made and contributions remain ongoing.

In another example, we investigated a whistleblower report that contributions were not being made by a scaffolding firm amounting to £90,000 on behalf of 100 savers. The firm has now committed to making up the shortfall with their pension provider.

We know from experience that even the threat of a fine is often enough to resolve a report of late contributions. Encouragingly, on-time compliance rates for employers declaring that they have implemented automatic enrolment for the first time, as well as those undertaking three yearly re-enrolment, has held steady, including among those that received compliance notices.

Despite the challenges faced by businesses, we have to date not seen a significant or unusual spike in missed pensions contributions.

The vast majority of employers are continuing to meet their automatic enrolment responsibilities – including setting up a pension scheme and enrolling staff into it. Every three years employers must also assess staff and put those who opted out, back into a pension and our information shows again that employers continue to do this successfully. Re-enrolment also provides those who chose to opt out previously, a good opportunity to reassess their decision and re-engage with saving for their retirement.

A common question payroll and pension professionals may be receiving from struggling clients is, what happens if I don't comply? The answer is, simply, that they run a high risk of enforcement action, including an initial £400 fixed penalty which could then increase to a daily escalating penalty for those employers that still do not comply with their duties. The size of the escalating fine depends on the size of the employer and is £50 per day for small businesses and up to £10,000 per day for larger businesses. The Pensions Regulator wants to stop employers from reaching this point.

Automatic enrolment duties have not changed, and employers must comply as normal.

More time is needed to judge the ultimate impact of the pandemic on saving, and we know employers will continue to face challenges, but early indications are that the vast majority of employers, despite the difficulties, have continued to successfully meet their workplace pensions duties towards their staff.

The situation is constantly evolving, and we are continuing to respond to the changes. We are keeping our approach and guidance under review. But our message is clear. We will take the right action at the right time to support employers and ensure savers are protected. ■

...the application of the cap to the compensation sum was clearly unfavourable

Useful links

- AE guidance for employers: www.tpr.gov.uk/employers
- AE guidance for advisers: www.tpr.gov.uk/advisers
- COVID-19 guidance: www.tpr.gov.uk/covid-19-coronavirus-what-you-need-to-consider

Statutory parental bereavement leave and pay

The CIPP policy and research team outlines a significant change to employment rights which took effect this year

From 6 April 2020, a new employment right was introduced that provides employees with a day-one right to two weeks' of leave and – subject to eligibility – pay, for parents who have either lost a child under the age of eighteen or suffered a stillbirth from 24 weeks of pregnancy.

The Parental Bereavement (Pay and Leave) Bill, which was initially laid before Parliament in July 2016 receiving Royal Assent in September 2018, and the Parental Bereavement Leave and Pay Regulations give 'Jack's law' legal force with effect 6 April 2020. Lucy Herd, Jack's mother, had campaigned tirelessly for mandatory leave to be provided for grieving parents. Prior to 6 April workers had no statutory entitlement to time off work for bereavement.

It is suggested that the support will benefit approximately 10,000 families in England, Wales, and Scotland. At the time of writing, nothing had been confirmed as to whether the right to statutory parental bereavement leave (SPBL) and pay (SPBP) is to be replicated in Northern Ireland. Historically, Northern Ireland has mirrored much of the legislation relating to statutory leave and payments in Great Britain.

Employees will be able to take two weeks of unpaid SPBL as a 'day-one' right, and, subject to certain meeting eligibility criteria, may receive pay for this leave.

Payments will be aligned with other statutory parental payment amounts, such as statutory maternity pay, statutory paternity pay, statutory adoption pay, and shared parental pay, which are currently set at the lesser of 90% average weekly pay or £151.20 per week for tax year 2020/21.

Employers can reclaim 92% of SPBP from their monthly or quarterly payments to HM Revenue & Customs (HMRC) and report via an employer payment summary each pay period. Employers that qualify for small employers' relief can claim 100% of SPBP plus 3% compensation, which also mirrors the treatment of other statutory parental payments.

In order to qualify for the pay element, the employee will need to have at least 26 weeks' of continuous employment at the 'relevant week', and have earned at or above the lower earnings limit for class 1 National Insurance contributions in the 'relevant period'. The 'relevant week' is the week ending with a Saturday before the week in which the child dies, and the 'relevant period' is the period of eight weeks that ends with the 'relevant week'.

The leave must be taken within 56 weeks of the date that the child died. It can be taken in two separate blocks, each a week in length, or the two weeks can be taken in one continuous, unbroken block. By granting parents a 56-week period in which to take the leave, it recognises that they may wish to take a week's leave immediately following the death of the child, when they are most likely to need it, and a further week around the time of the anniversary of the child's death.

The employee who wishes to take the leave and/or pay will need to be an eligible parent who could include:

- the child's or baby's parent – (the biological, adoptive or parent of a child born to a surrogate)
- the partner of the child's or baby's parent.

In addition to eligible parents and individuals considered as 'primary caregivers' of the child, employees could also be eligible if they had responsibility for the child, and if the child had been living with them for a minimum period of four continuous weeks prior to the death and they had day-to-day responsibility for the child. The exception would be where the child's parent or anyone with parental responsibility for the child was living in the same household; so, for example, a grandparent who looked after the child but lived in the same house as the child's parent would not be eligible.

Employees will not need to provide any form of written declaration to be able to take leave, where they are not eligible for pay. They can give notice informally by phone, text message or email.

...unpaid SPBL as a 'day-one' right, and, subject to certain meeting eligibility criteria, may receive pay for this leave...

They will, however, still be required to give the appropriate amount of notice to take SPBL. If the employee wishes to take leave up to eight weeks after the child's death or stillbirth, they must give their employer notice of their intentions before the time that they would normally commence work on the first day of the period they wish to take off.

Where the leave is to be taken between nine and 56 weeks after the child's death or stillbirth, employees must provide at least one week's notice before the start of the week(s) they wish to take off. Employees have the right to cancel their SPBL as long as they provide more than the required notice for taking it, which as above will be dependent on how long after the date of the child's death or stillbirth they are taking the leave. Employees need to state the date of the child's death or stillbirth, when they would like their SPBL to begin and whether they are taking one week's or two weeks' leave.

Those workers who are entitled to SPBP must ask for SPBP within 28 days of taking the period of leave, starting with the first day of the week for which they wish to claim. Those eligible for, and taking the pay, must provide a written statement. Within the written declaration, the employee must provide:

- the dates of the period they want to claim SPBP for
- their own name
- the date of the child's death or stillbirth.

...do not have the right, at any point, to request sight of a death certificate...

Employers do not have the right, at any point, to request sight of a death certificate as evidence.

Where an employee does not qualify for SPBP, their employer has the right to refuse it but must provide the employee with a non-payment form (SPBP1) or their own equivalent within 28 days of the pay request.

Employers must retain records for a minimum period of three years, of any SPBP for HMRC, which must include the start date for any SPBP that was paid, details of the payments made, the employee's written declaration and details of any weeks the employee claimed SPBP but the employer did not pay, alongside the reason why.

Comment

The new entitlements to SPBL and SPBP demonstrate the government's continued endeavours to increase the levels of support available to employees, and its commitment to balancing a working life with having a family.

Although the statutory provisions grant employees a new statutory right to leave and pay, employers are not restricted to providing those entitlements. Many employers may actively choose to allow for a further period of leave or a more generous pay structure for employees who lose a child.

We await further details of the Employment Bill and for any update relating to the Good Work Plan, both of which promise to introduce a range of measures to encourage and protect modern working practices. ■

Relationship break down, reputational damage, worker status

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

Gallacher v Abellio Scotrail Ltd

The employment appeal tribunal (EAT) has ruled that a dismissal with no procedure was fair due to a break down in the working relationship.

Gallacher worked directly under a manager, Ms Taggart, with whom she initially had a strong working relationship. However, their relationship began to break down when the claimant's initial request for a pay rise was refused. Following a business transfer, the claimant began to complain about a perceived change in company culture and expressed wishes to leave. She again requested a pay rise, which she received; however, she vocally outlined that she did not trust Ms Taggart to help her in this situation.

Although the two later held a return to work meeting for which Ms Taggart distributed minutes, the claimant took issue with these and made substantial amendments to them, at which point Ms Taggart believed the claimant was no longer happy at work. She relayed her concerns to human resources, outlining that she felt there had been an irretrievable break down in trust between them. It was decided that the claimant would be "exited from the business" at her next appraisal meeting. No further procedure was followed, and the claimant was not granted the right to appeal.

The claimant brought a claim of unfair dismissal to the employment tribunal (ET), arguing that the lack of procedure made the decision unfair. Her claim was dismissed, however, as the ET was satisfied that there had been a break down in the relationship between the claimant and Ms Taggart, and that the latter's concerns were genuine. The claimant seemed to be responding poorly to reasonable requests, such as working on-call, and did not seem willing to try and improve the relationship. The dismissal had occurred because of a lack of trust and confidence between two employees at a senior level, at a time when the respondent's business was struggling, meaning it could be considered a 'some other substantial reason' (SOSR) dismissal. The ET also found that the lack of procedure did not serve to make the dismissal unfair.

The claimant's appeal to the EAT was also dismissed, with the court finding that the ET had acted correctly in this situation. The EAT held that dismissals without following any procedures would always be subjected to extra caution by a tribunal when considering if they fall within the band of reasonable responses. However, there may be rare situations where procedures may be dispensed with because they are reasonably considered to be futile in the circumstances.

Procedure-less dismissals are rarely fair. This case turned on the procedure being futile, which will be pivotal in cases of SOSR dismissals. Dismissals concerning conduct should still always follow the correct procedures.

It should be noted that this outcome only concerns SOSR dismissals; and dismissals concerning conduct should still always follow the correct procedures. To avoid potentially costly unfair dismissal claims, the safest option is to always follow pre-agreed procedures when considering a dismissal to justify that it was fair.

...felt there had been an irretrievable break down in trust between them.

K v L

The EAT has ruled that a dismissal for reputational risk, following the arrest of

...degree of control placed upon the claimants meant that they were clearly obliged to perform work personally...

a teacher on suspicion of downloading inappropriate images of children, was unfair.

The claimant was a long-serving teacher who was arrested and questioned following police intelligence that his home computer had been used to download indecent images of children. Although charged he was not prosecuted, with the Procurator Fiscal deciding to keep the case under review.

The claimant disclosed the ongoing police proceedings to the school and denied the allegations. A decision was taken to implement a disciplinary procedure against him, which led to an investigation into the allegations. As the school could only obtain minimal evidence from the police, the investigation report could not confirm he had downloaded the images. However, it referred to the reputational risk of maintaining his employment.

The teacher was later dismissed on the grounds of gross misconduct as it was believed he posed an unacceptable risk to children. The dismissal referred to this reputational risk, outlining the danger of it later being discovered that he had been kept on despite the charges and that he could still later be prosecuted.

The claimant brought a claim of unfair dismissal to the ET, which dismissed his claim. Whilst the ET agreed that the reputational damage aspect did not form part of the initial allegations against him, its mention in the investigation report 'reflected' grounds for dismissal.

The claimant appealed to the EAT arguing that as the initial complaint failed to mention the reputational damage aspect, he could not have later been dismissed for it. He also stated that the school had failed to confirm he had downloaded the images and dismissed him purely on the possibility he had done so.

The EAT allowed the appeal, agreeing that the dismissal had been unfair. They first addressed the reputational damage aspect, finding that an employee could not be dismissed based on a matter that had arisen in an investigation report. This had not been put to the claimant at the commencement of the disciplinary procedure, and specifically was not included as an allegation within the letter inviting him to the disciplinary hearing. As such, he had not been given a fair opportunity to respond directly to this issue; it should have been treated as a separate consideration.

Despite this conclusion, the EAT did consider whether it would have been a fair outcome to dismiss had this issue been raised at the commencement of the disciplinary procedure. The court ultimately concluded it still would not have been. There was no detailed evidence, no existing press interest and the claimant had been honest about the accusations from day one.

This is an interesting outcome that addresses the issue of reputational damage head-on. Whilst organisations in similar situations may seek to dismiss the employee straight away, they need to make sure that their response is reasonable in the given circumstances.

Glasgow City Council v Johnstone

The claimants in this case responded to an advertisement for fostering services on behalf of a local authority. This represented a new treatment for fostering young people which differed from usual arrangements. The differences were as follows:

- unlike other foster carers, those under this scheme received a professional fee regardless of whether they had any current placements
- carers had to complete a rigorous training programme, attend meetings and further training even when not caring for children, take holidays outside of placements, and not be in any other paid employment.

There was, however, some flexibility in the arrangement. Carers did not have to automatically take all children they were told to by the authority, but they did have to justify why they were refusing some over others. The terms of the foster caring arrangement, which were outlined in an agreement signed by both parties, referenced a separate payment policy that referred to carers as 'self-employed'.

After a number of years operating under this agreement, a dispute arose between the claimants and the local authority. The claimants argued that they had been subjected to a detriment as a result of making a protected disclosure, when they had claimed the authority had denied them urgent specialist support in caring for a child with mental health concerns. They later sought to bring this claim to the ET, alongside unlawful deduction from wages. The local authority, however, argued the claims should be struck out as the claimants were not employees or workers and therefore not protected under the law.

A preliminary hearing was held by the ET to determine the employment status of the claimants. They concluded that the claimants had entered into contractual arrangements with the authority to receive an annual salary, were subject to considerable day-to-day control, and were prohibited from taking other employment.

Having found this, the ET went on to conclude that the claimants were not just workers, but actually employees. In forming their decision, the court outlined that the degree of control placed upon the claimants meant that they were clearly obliged to perform work personally for the organisation.

The local authority appealed to the EAT, which dismissed the appeal. The court began by addressing the terms of the agreement, finding that whilst many of them were simply outlines of statutory obligations placed on foster carers, additional terms on the financial arrangements between the two, and powers of mutuality and control, went further than this and suggested employment.

The EAT went on to outline that in situations where a local authority narrates the terms for which they are willing to authorise individuals to be foster carers, and these terms involve exercising control over their provision of this service, it will be up to tribunals to determine if there is an employment relationship.

It is important to remember that this outcome applies only to foster carers who work under the specific arrangement described; this is not necessarily how all foster carers operate. ■

The Kickstart Scheme

Danny Done, managing director of **Portfolio Payroll,** outlines what employers need to know

The Kickstart Scheme ('the scheme') was announced on 8 July with the aim of creating new high-quality jobs to help 16–24-year-old unemployed people on universal credit, covering participants' expenses for six months.

The first placements are likely to be available from November 2020 and will be open until December 2021 with the option of it being extended.

The government is investing £2billion into creating thousands of state-funded jobs for young people who are at risk of being in long-term unemployment. The government grant will cover 100% of relevant national minimum wage (NMW) rate for 25 hours per week, as well as National Insurance contributions and pension contributions. In addition, the government will also pay employers £1,500 towards set up, training for participants and other costs that are likely to be incurred.

The scheme is being run across several industries in England, Scotland and Wales and is open to all employers that meet the minimum requirements. To be eligible, employers must:

- be an existing business with a track record of fiscal competence
- apply with at least thirty new vacancies which are not replacements of existing jobs and should not cause current staff to have a reduced workload
- be prepared to offer at least 25 hours a week to participants for at least six months at the appropriate NMW rate for their age group
- demonstrate the employability support they will provide to participants to give them the transferable skills needed to continue into gainful employment, training or education
- demonstrate that the jobs they are offering are quality placements
- show how they plan to monitor the progress of participants to the satisfaction of the compliance and quality requirements for the scheme – including participants' safety
- show how publicity activities, such as branding, will comply with the publicity requirements of the Department for Work and Pensions (DWP).

Employers that are unable to achieve the minimum thirty job placements criterion – which may be the case with smaller businesses that only want to offer one or two placements – can partner with other organisations to reach the minimum placement requirement as a combined bid.

The government has also published guidance on how organisations can act as a 'representative' that will apply to the scheme on behalf of employers unable by themselves to reach the minimum placement threshold.

What are 'new' job placements?

In order to prove that job placements are 'new', employers can provide the following supporting information during their application to join the scheme. Information should be provided on:

- changes made to the workforce within the last six months, including redundancies or change in working hours of existing staff
- the number of people such changes have affected and the size of the workforce as a whole
- the type of roles, their function, and the salary, on average, of the roles that such changes affect
- if the scheme job placements will be similar to jobs where changes have been made due to things such as redundancies or change of working hours
- if these 'new' jobs would have been created without the scheme funding and how recruitment either started, completed, or paused in the last six months and how similar these are to the roles proposed under the scheme
- if the employer has sought advice from trades unions, and details of the advice received.

Making 'Kickstarters' employable

Employers will need to show how they will improve the skills and experience of their 'Kickstarters'. They can do this by adding the following to their application form:

- details of the support that will be offered (e.g. CV writing and interview prep)
- at what stage this support will be offered, which can be at the start, midway or at the end of the scheme
- how many hours it will take to offer this support and by whom
- how support will be monitored to ensure it is effective
- how feedback can be provided to employers by participants during and after the process, and how it will be taken on board to improve the service (if necessary).

Applying for funding

Employers can apply now using a portal on the government website. To complete the application, employers will need:

- their Companies House reference number or Charity Commission number
- the organisation's address and contact details
- details of the scheme job placements and their location
- supporting information to show that the job placements are new jobs and meet the scheme criteria
- information about the support the organisation can give to develop employability skills of young people.

If the application is successful, the initial set up cost will be paid to employers when they have confirmed to the DWP that the participant has started work. Wages costs will be refunded to the employer in arrears. ■

...first placements are likely to be available from November 2020 and will be open until December 2021...

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£35,000 - £40,000 BUCKINGHAMSHIRE REF: 964174

A world-leading organisation require an experienced Payroll Specialist to assist with the UK, German & French payroll using ADP. You'll be working within a small team, reporting into the HR Manager. Fluency in German or French is highly desirable.

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UP TO £25,000 BRIGHTON REF: 957899

Opportunity to join a popular company to work on a full start to finish monthly payroll for their clients and be the first point of contact for queries. Experience of large volume payroll required.

PAYROLL ADMINISTRATOR

£30,000 - £34,000 NORTH LONDON REF: 964336

A reputable charity are looking for 2x Payroll professionals to be part of a mutually rewarding journey. Experience at Payroll Administrator level in an organisation with a payroll of 1,000 plus employees required.

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

PAYROLL MANAGER

£45,000 - £50,000 SALE REF: 964293

Opportunity for an experienced Payroll Manager to join a team of 3-4 ensuring that the payroll runs smoothly and deadlines are met. You'll be part of change management & process improvement within the payroll function too. CIPP is desirable.

PAYROLL COORDINATOR

£22,000 - £25,000 HARROGATE REF: 964341

A high-end retailer requires a Payroll Coordinator to support their busy payroll department with high volume starters & leavers. They provide an excellent working environment, work from home opportunity and freebies! Experience of T&A system useful.

EXECUTIVE SOURCING EXECUTIVE PAYROLL TALENT

PAYROLL MANAGER

£60,000 HERTFORDSHIRE REF: 964075

An opportunity to join a large and growing Payroll department, our client needs a strong leader to manage the team to ensure monthly payroll runs smoothly. Suitable for a professional looking to build a career.

PAYROLL & BENEFITS MANAGER

£50,000 - £55,000 LONDON REF: 964339

Reporting into HR, the Payroll & Benefits Manager will manage the UK payroll split plus the company benefits scheme and pensions. You'll manage a small team, be an escalation point for queries and support with projects.

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Brits more likely to check their weight than their payslip

RECENT RESEARCH from Intuit QuickBooks reveals that a quarter (25%) of UK workers don't check their payslip monthly, with employees instead more likely to check their weight (28%), the lottery results (15%) or window-shop for houses online (14%). One in ten (10%) are more likely to scavenge for loose change around the house than check their payslip for errors, which could potentially reap bigger rewards.

Two in five (39%) employees have experienced changes in the deductions to their pay (such as pension, private healthcare and childcare contributions) since lockdown. In addition, more than 9,000,000 workers have been furloughed, yet the research shows half (50%) of those currently on the scheme are unaware this could impact the amount of tax they are paying. As many as 43% of workers have previously experienced errors in their payslip which led to them overpaying on tax.

Unnoticed errors in pay could intensify financial problems due to the pandemic. According to the research, two in three workers have seen a reduction in household income as a result of the coronavirus, with an average fall of 14%. The implications of this are far reaching, with a third (31%) saying they have taken on extra debt and nearly half (47%) saying they are close to running out of money every month.

When asked why they don't check their pay, a third (31%) say they trust their employer to get it right, 16% say they don't understand their payslip, 15% simply can't be bothered, and 10% don't know how to access it.

Pauline Green, head of payroll at Intuit QuickBooks, comments: "The coronavirus has put intense pressure on finances across the country – from both an employer and employee perspective. It's never been more important that workers are paid correctly, and on time. Yet employers are facing changeable and complex payroll processes, and those without finance teams are particularly prone to the pressures of running payroll under these unusual circumstances.

"Small businesses owners always want to get pay right, but sometimes mistakes do happen – which is why it's always advised to give your payslip a quick once-over."

Bespoke search company launched

EIRA HAMMOND ChFCIPPdip – founder of Eira Consulting Limited, previous chair of the CIPP, and tutor for the CIPP's Foundation Degree in Payroll Management since 2003 – has launched 'Eira Connect', specialising in senior payroll and HRIS (human resource information system) permanent and contract roles. In addition to consultancy services, Eira will support employers more fully by providing high-calibre candidates to fill permanent or contract positions for large- and small-scale projects.

Describing the new venture, Eira says it's "a truly bespoke search company, specialising in an industry I have been part of for over 35 years. It will enable companies and candidates to benefit from the strong, long-standing relationships and knowledge I have of the industry, and my extensive network of payroll and HR connections."

Committing to guarantee every role placed, Eira says "using a unique set of tools, each candidate will go through a comprehensive assessment process before they are considered for placement." Selecting only those candidates that she can personally recommend will ensure employers get exactly what they need to fulfil the experience level and competency requirement of the role as well as ensuring a personality, work ethic and culture fit.

For more information about Eira Connect, or to request an initial consultation either as a candidate or an employer, visit www.eiraconnect.co.uk, or email eira@eiraconnect.co.uk, or call 07841 940278.

ADP DataCloud wins award

IN THE 'Best AI-based Solution for Data Sciences' category in this year's 2020 AI Breakthrough Awards, which received more than 2,750 nominations from over fifteen different countries, ADP's DataCloud solution earned praise. Embedded into ADP iHCM2, the people analytics solution provides access to data about an organisation's people in one place, simplifying the ability to quickly spot workforce trends and proactively address issues.

James Johnson, managing director, AI Breakthrough, commented: "ADP DataCloud truly harnesses the power of AI to empower businesses with the quick, accurate insights they need."

Jack Berkowitz, senior vice president of product development at ADP, said: "Historically, businesses have struggled to identify and understand trends within their people data – trends that when actioned against can make a significant impact. ADP DataCloud addresses this challenge head-on by embedding insights directly within the flow of work."

MAKE UK LAUNCHES REDUNDANCY TOOLKITS

TWO NEW downloadable toolkits giving instant access to a suite of redundancy support, have been launched by Make UK to enable employers to manage a robust and fair process. The toolkits will help businesses to:

- comply with UK employment law regulations regarding redundancy
- ensure each communication and letter issued is legally compliant and provides all necessary information to the employee
- adapt processes to accommodate new working arrangements and considerations created as a result of Covid-19.

Businesses which purchase a toolkit will also receive one month's access to Make's telephone and live chat support for expert guidance in relation to redundancy process and procedure. For more information: https://bit.ly/2SwgMIS.

The Access Group launches Access People

ONE OF the UK's leading software providers for mid- to large-sized organisations, has launched Access People. The Access Group's new HR software, content and services division has annual turnover of £112,800,000, and employs 835 staff including 200 software developers. Access People solutions will be available through Access Workspace, a unified platform that brings together every application into a simple user experience.

Dean Forbes, president of Access People division, commented: "Access People will provide customers with absolute freedom and flexibility, unparalleled breadth, depth and scalability across all areas of HCM (human capital management), payroll, learning and development and compliance."

Employer advice line launched

AN ADVICE line for businesses supporting employees experiencing or at risk of domestic abuse has been launched by crisis support charity Hestia.

For more information about Everybody's Business Advice Line visit https://bit.ly/32N6ZTc, and https://bit.ly/3i1C38x for a detailed pack.

TISA leads industry group on overhaul to AE

THE INVESTING and Saving Alliance (TISA) has launched a set of proposals created in collaboration with major pension and investment firms to ensure everyone can better plan, prepare and enjoy their pensions as part of their 'Getting Retirement Right' campaign. (The campaign intends to help inform and influence the debate on automatic enrolment (AE) contribution levels.)

A proposal, which would help prevent the least financially secure from increasing personal debt levels or foregoing household essentials in order to remain opted into a workplace pension, is to allow certain workers an opt-out of personal contributions but require the continuance of their employer contributions. Those earning less than £17,500 – which would be an additional earnings threshold reviewed annually – would have this option.

Currently, AE contributions are set at 8% of qualified earnings: comprising 5% from employee and 3% from employer. The TISA proposals recommend that to reach the optimal 12%, contributions should be split evenly between the employer and employee and phased in over a period of six years at a rate of 0.5% per year, commencing in 2023.

In line with the Net Pay Action Group, TISA recommends the net pay anomaly should be corrected through an end of tax year reconciliation process by HMRC using real time information data. This would ensure any tax relief forgone is automatically paid to those impacted.

Renny Biggins, head of retirement at TISA, commented: "AE has been a bigger success than anyone could have imagined but, nearly ten years on from its inception, changes need to be made to ensure it continues to develop and serve hard working people in the UK.

"We hope to continue working closely with the government to realise these proposals, most notably to protect the lowest earners and to ensure contributions reach the necessary 12% of pensionable salary for the majority, which will allow people and households to retire on a moderate income."

New company UKG emerges from rebranding

THREE COMPANIES – Kronos Incorporated, PeopleDoc, Ultimate Software – have announced a rebrand and the new company name of UKG (Ultimate Kronos Group). This builds on the strength and innovation of the companies which share a singular focus on inspiring workforces and businesses in Europe and around the world as one of the world's largest cloud companies.

Aron Ain, chief executive officer of UKG, said "Our new brand is rooted in our combined passion and history of focusing on people at work. We believe the UKG brand represents our continued commitment to our employees, customers, and their employees – while at the same time giving us a modern new identity for our future together as one organisation. Separately, our companies have proven that remarkable cultures led by inspired people drive success, and now we are together as UKG, one company with people at our core.

"Our new brand represents the people-centric innovation, warmth, and partnership our customers will experience with UKG products and services.

"Since our purpose is people, feedback from our own employees, customers, and prospects was the biggest driver in the decisions we made about our new brand."

UKG's products and services drive industry-leading productivity, visibility, and workplace compliance while empowering all employees – salaried, hourly, frontline, office-based, full-time, part-time, and gig.

Nicole Bello, vice president, small and midsized business and channel, EMEA, UKG , commented: "The combined expertise of three powerhouse brands now operating together as UKG is well poised to serve the needs of customers around the world. For Europe in particular, customers will enjoy an end-to-end HR and workforce management solution to inspire their people from pre-hire to retire.

Jonathan Benhamou and Clement Buyse, co-founders of PeopleDoc, stated. "As part of UKG, we are streamlining our approach and now have access to tens of thousands of global customers and are part of a group that generates $3 billion (USD) in yearly revenue. We're really excited about this next phase of growth, while keeping what is so important to us, a strong team and strong values to do what is good for our customers and what is good for our people."

Will RPA help you be more strategic?

Datagraphic's Glyn King discusses ways to use automation tools in payroll that will help you focus your time and become more productive

As payroll teams look to play a more strategic role within their organisation, many will need the help of technology and automation tools to give them the time and mind-space from operational tasks to focus on the 'human' side of payroll.

Automation is not a new concept, but it is now one of the most popular buzzwords used in the payroll and human resources (HR) industry. Once feared, people are starting to understand the benefits and embrace technology that can enhance their role within their organisation. And robotic process automation (RPA) is one of the technologies that is helping payroll teams manage their time more effectively so that they can focus on delivering high-value, strategic insight.

What is RPA?

Just as a reminder, RPA is software, or a set of tools, that can be programmed to use structured data and rules to complete routine tasks. It's best suited for processes that are repetitive, time-critical, prone to error, data-driven and rules-based (predictable).

That's why RPA works so well for payroll tasks, such as payroll processing and document distribution, because these are repetitive and data-driven.

It focuses on increasing the day-to-day efficiency of processes, which means as a payroll team you're spending less time on administrative tasks and more time on building financial awareness, improving employee wellbeing and delivering a great employee experience.

Why should payroll teams use RPA?

Whether you view technology as a friend or foe, it's undoubtedly shaping payroll, and you'll increasingly use it for data entry and number-crunching, to release time for you to deliver higher-value tasks.

There are many reasons why RPA should be used for business processes. It's non-invasive technology which leads to considerable saving potentials. It can seamlessly integrate with existing business systems so that it can be developed and changed with ease.

But what are the benefits for you?

Payroll is known for paying people accurately and on-time, but on occasion even the most conscientious and driven employees can make mistakes. Using RPA, the right result, decision or calculation is made every time.

Tasks, such as payslip distribution, that previously took your teams hours to complete can now take seconds or minutes to complete by RPA technology. So, you've got more time to focus on new projects, analyse employee data to provide insight into other areas of the business such as finance and HR – all without having to worry about completing the repetitive, administrative payroll tasks.

Not only will automation technology help you become more productive and efficient, RPA is a low-cost, high-outcome solution.

Available are SaaS (software as a service) solutions that seamlessly integrate with existing systems and can be made live in weeks, so there is no need for disruptive or lengthy change projects.

This creates a strong case that will make it hard for senior stakeholders within your organisation to deny.

...people are starting to understand the benefits and embrace technology that can enhance their role...

How to use RPA for payroll

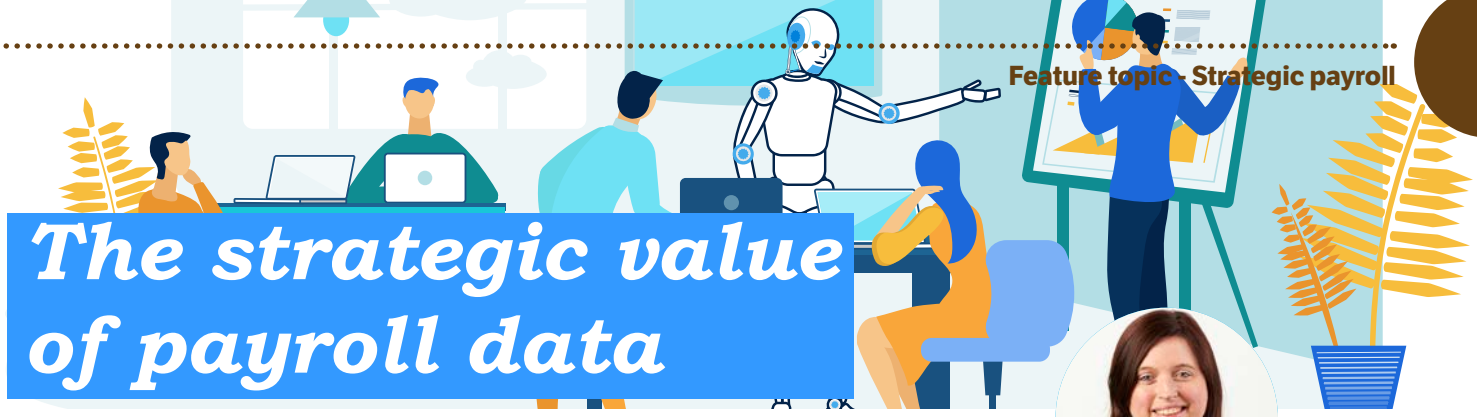
As mentioned before, RPA is ideal for many payroll tasks, as they are repetitive and data-driven. Making sure staff are paid accurately and on-time demands accuracy, timeliness, and well-planned coordination.

RPA has already been used to significant effect in many different payroll functions, with the following areas in particular seeing tangible benefits from more automated and rules-driven processing: new starters/leavers, attendance records, absence records, holiday records, deductions (pension, loans and taxes).

Another area automation tools can significantly improve is the distribution of payroll documents. Let's consider the communications – e.g. payslips, P60 certificates, and pay award letters – you send to employees. With a diverse workforce, your employee document distribution process may be fragmented, expensive and risks non-compliance with legal obligations. By automating production and distribution using RPA tools, these documents can be presented in print or digitally in a fraction of the time, releasing days of resource for you to focus on other priority projects.

The role of payroll teams looks set to become more 'human' than ever before. You'll be there to provide insight, to engage, motivate and inform co-workers, whilst technology like RPA will take care of the repetitive and administrative tasks that take up the majority of your workloads today. So as more payroll teams see the value of RPA, I think we'll see a shift in the role payroll plays within an organisation, but also a change in attitudes towards payroll being a vital function that can offer strategic value. ■

If you'd like to read more on how RPA is transforming payroll, this article will help you: https://bit.ly/367poNR.



The strategic value of payroll data

Abigail Vaughan, chief operating officer at **Zellis**, makes the case for unlocking and using payroll data

Payroll is arguably the single biggest source of highly valuable, yet drastically underutilised, data in any organisation. It can act as a detailed barometer for workforce trends, helping organisations to understand and optimise their colleague experience and, ultimately, to drive better business outcomes.

New research indicates an increasing level of awareness in this area. According to this year's *Future of Payroll* report from the CIPP, 59% of payroll teams believe data-driven and cloud-based technology will help them become more strategic and relevant in decision making. Why then, if data is so important, do many payroll teams struggle to make good use of it?

Common data challenges

The most common challenge is that data is often held in silos in different systems and off-system tools, including spreadsheets. There's also typically a lack of integration between payroll data and other human resources (HR) and business data. If information isn't unified across the business, it becomes difficult to analyse how payroll factors, such as overtime hours worked, correlates with HR factors, such as employee engagement or attrition.

Most organisations are not short of data, but actionable insight is rare. In payroll, this stems from a lack of automation and analytics capabilities; many payroll teams still build reports manually, which is both time-consuming and less likely to provide the level of business intelligence required to reliably inform decision making. After all, most payroll and HR professionals aren't data science experts (nor should they need to be), but they're under increasing pressure to bring impactful reports to the boardroom.

Thanks to advances in technology, it's becoming easier to solve these challenges. Leading software providers are now building big data, predictive analytics, and artificial intelligence capabilities into their products, making it easier to collect, standardise, and interpret payroll and HR information across more tightly integrated systems. At the same time, some managed payroll providers are offering data-driven reporting services to add further strategic value and improve visibility for their customers.

> ***...building big data, predictive analytics, and artificial intelligence capabilities into their products...***

Using payroll data strategically

When we talk about releasing the potential of payroll data, what are we referring to? Today, standard reports tend to focus on outputs that give confidence the payroll is accurate and also satisfy compliance and audit requirements. More strategic uses include the following:

- *Understanding and minimising errors* – Using analytics to understand the frequency and nature of errors can lead to improvements in payroll performance and the minimisation of unnecessary costs. Even a small number of recurring errors (such as expense claims involving unknown pay elements) can quickly add up to big problems, and they can also have an impact on colleague experience. Analysing error data over time can help identify trends and pinpoint causes to be addressed. For instance, a specific error that keeps occurring could signal the need for additional training or resource to be invested in that area.
- *Real time interventions to improve accuracy* – Providing the information to line managers in real time in a pay cycle can help improve the accuracy and overall success of the payroll. For example, sharing the details of colleagues at risk of under- or overpayment, along with the causes, can help managers to act before the payroll is completed, leading to lower organisational costs and a stronger colleague experience.
- *Workforce planning* – Analysing payroll data is useful not only for identifying and addressing present challenges, but also informing future decisions. This is particularly crucial for rapidly growing organisations. Say, for instance, that a particular division within your organisation is expected to have significant hiring needs over the next year. You can use existing payroll data for that division, including metrics like average salary and overtime worked, to forecast the potential cost of this growth in headcount. By delivering this insight to the boardroom, payroll teams can help business leaders take timely and well-guided actions to ensure effective cost management.
- *Attracting and retaining talent* – One of the reasons why it's so important to unify payroll and HR data is that organisations frequently see a direct correlation between factors such as salary, reward, benefits and employee engagement, performance, and attrition. At a granular level, it's critical to understand the extent to which a specific combination of factors (such as age, compensation, location, and job function) influences the likelihood of an individual to leave the organisation. With these insights to hand, organisations can tailor and adapt their colleague proposition in order to attract and retain the best talent.

Using data to address today's challenges

As leaders from across the organisation look to payroll to be more strategic – especially in terms of process optimisation, financial forecasting, and the colleague experience – it's difficult to overstate the importance of data to guide organisational decision making. Payroll is one of your organisation's biggest untapped sources of people data and, as we face an indeterminate period of workforce and economic uncertainty, now may be a better time than ever to use new technology to unlock its true potential. ■

Innovations in payroll have come of age

David McCormack, chief executive officer of **Hive360**, asserts that the business world needs to open its mind to the innovative options available to payroll professionals

Payroll is an essential administration duty, with the smooth and accurate payment of the workforce vital to the growth, success and sustainability of every business in the UK. But payroll is so much more than simply providing a payslip; a comprehensive payroll function is one that is robust, accurate and seamless – and crucial for every business.

Traditionally, payroll has been seen as a pure support function that is essential, but very rarely considered strategic. Yet those who don't regard payroll as a strategic resource are frankly ignoring opportunity. Adding payroll to the strategic plan is essential, not least as it touches every human element of an organisation and is a valuable tool for staff motivation, communication, reward and direction, as well as overall business profitability.

Why is payroll so important? Payroll tends to fall between two strategic giants: finance and HR (human resources). However, I believe payroll should be embraced by every business function, to maximise its potentially huge contribution to staff engagement and wellbeing, which is frequently missed.

Payroll is a core data manager. The information essential for the payroll system provides deep insight into a business, with much more than only transactional details. It delivers vital operational statistics, identifies actionable trends, and provides essential business information which can make decisions accurate and meaningful.

Payroll touches every human resource in an organisation, from the top to the bottom of the corporate tree, and its function and efficiency has a massive impact on the business. If an organisation and its payroll professionals get payroll wrong, staff purpose and commitment is directly affected, and in turn, staff retention levels and turnover will suffer.

If the payroll function doesn't run smoothly, there's a negative consequence for the business and its workforce, compromising and negatively impacting employee engagement and satisfaction, which in turn impacts on individuals' financial wellbeing, along with their loyalty.

Time is always a challenge for busy payroll professionals, and this is heightened today with the additional operational challenges brought about by Covid-19, which is placing added demands on resource and technology, as many workers operate remotely from home.

Another challenge is compliance with the raft of complex and evolving legislation that govern payroll, its data and operation. Keeping up with all the legislation and ensuring compliance requires time and diligence, and the government's furlough scheme introduced to help support businesses through the impacts of Covid-19, has created a whole new level of difficulty.

Add to these the demands of keeping systems up to date by adapting to new technology, and maintaining an eye on operational and financial efficiencies, and outsourcing represents a realistic solution. The myths and misconceptions around payroll outsourcing run far and wide, however, and could be holding a business back.

Outsourcing payroll is a strategic decision that will address wider policies such as efficiency, cost saving, staff retention, productivity, employee engagement and wellbeing. Further, it provides instant access to specialist payroll expertise and professionals with a duty to keep on top of legislation, the latest technology and compliant systems, cost and time savings, especially valuable for business owners who assume the payroll function as part of their role. Other advantages include the following:

- Fully outsourced payroll consolidates everything into a single, manageable cost, using a system that has to be and therefore is fully compliant, and keeps operations running continuously.
- Outsourcing payroll can add up to £100 profit per employee per year to the business's bottom line.
- Cost savings from freed-up time, manpower, software and IT equipment, as well as hidden costs such as training, utilities, print costs, and system maintenance.
- Expertise as payroll outsourcing companies are experts offering effective solutions that will give peace of mind that employees and their mental, emotional and financial wellbeing are taken care of.
- 24-hour payroll access, and guaranteed HMRC-approved payroll software.

It's essential to find an outsourced payroll supplier that 'fits' with the business so that it feels like an extension of it. So, it's worth investing time in scoping due diligence to ensure the right provider is identified, by checking it delivers: flexibility – to grow and adapt to your changing workforce and working patterns for full/part-time and agency or contract workers; creativity – a supplier and tech that is tailored to provide a solution for your business; scalability; security; visibility, transparency, accessibility – particularly with how the payroll services are delivered and accessed; accuracy and efficiency; added value – such as routes to boost employee health and wellbeing support, and in turn, employee engagement; cost savings; compliance; proof of compliance/certification; existing client references. ■

...valuable tool for staff motivation, communication, reward and direction, as well as overall business profitability.

Feature topic wordsearch

The CIPP's policy and research team are delighted to have prepared for your enjoyment this classic word puzzle which features 33 words all related to this issue's feature topic of strategic payroll.

The words can be forwards or backwards and vertical, horizontal or diagonal. Visit **cipp.org.uk/wsnov20** to see the answers.

Y	Q	P	S	K	W	Q	T	G	D	T	A	T	N	E	R	E	H	O	C	O	G	V	T
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Y	O	Z	A	U	E	C	E	N	O	I	S	I	V	A	J	N	A	C	W	L	A	J	I
Q	K	G	S	N	A	B	T	E	N	X	S	T	R	A	T	E	G	I	C	S	M	T	B
A	I	T	T	M	E	U	F	O	S	I	S	Y	L	A	N	A	T	O	W	S	X	M	E

(Note that the space between two-word search items listed below is ignored in the table above. So, MICRO ENVIRONMENT would be shown as MICROENVIRONMENT.)

ANALYSIS
ANTICIPATE
ASSESS
BOARD
BUDGET
BUILD
COHERENT
CORPORATE
DECISIONS
DIRECTION
EFFICIENCY
FACTORS
GOALS
GROWTH
INNOVATION
LONG TERM
MACRO ENVIRONMENT
MANAGEMENT
MICRO ENVIRONMENT
OBJECTIVES
OPTIMISE
OUTLOOK
PESTLE
PLAN
PLANNING
POLICY
PROGRESSION
PROJECTIONS
STRATEGIC
SUCCESS
SWOT ANALYSIS
TACTICAL
VISION

Do you know what you want to achieve?

James Cluskey, founder of **High Calibre Collective** and **author** of ***Advantage: lessons from sport and business to achieve your goals***, provides advice on the power of the plan

As a former professional tennis player, I've always been very goal orientated. I'm competitive and want to improve and get better on daily basis. However, we have to ask ourselves some hard questions. Are we setting ourselves up for success?

I graduated from Louisiana State University in 2009 after playing four years there on a scholarship for LSU. I was ranked as high as third in the country in doubles and was excited for my professional career to begin. I began travelling and playing tournaments around the world.

If you were to equate my college ranking to my professional ranking then I should have moved up the latter quickly; however, I struggled. I would play well one week, then lose in the next few tournaments early. I couldn't figure out what was going on. I was nervous and was putting so much pressure on myself.

At home in Dublin for a week my coach suggested I go and meet a business coach who is also a sports psychologist. Kevin, who I was meeting, had no knowledge or experience with tennis – and I have to admit I was a little sceptical, but decided to give it go. What happened next really changed the way I look at and approach my goals going forward.

Kevin asked how many points I needed to make my initial goal ranking of 250 in the world, and I wrote it on a board. We looked at how many second round, semi-finals, finals and tournament wins I needed to be 250 in the world. Next, he asked the simple question: "Well, why are you putting yourself under so much pressure every week?" I was going to these tournaments and if I didn't win the event then I saw it as failure, but looking at my initial goal and the way it was broken down made it so much more achievable. I wrote out the results needed.

When I went to an event in France and lost in the second round I wasn't happy but I wasn't distraught because I would tick off the fifteen points as I'd just moved one step closer to my goal. I got great satisfaction knowing I was moving in the right direction.

I also did things like change my passwords to 'iwillbe250' because I was obsessed with achieving that goal and driving towards it. I knew what I needed to do results-wise to achieve my goal, but I needed to add in performance goals that would also give me confidence. I would set goals on a daily and weekly basis to achieve. How many gym sessions did I need to do? How many serves did I need to hit? How many volleys should I hit?

For me having a plan is like getting into a car and putting a location in the satnav. Having a plan is having the direction mapped out. Sure, sometimes you might have to change the route because of a crash ahead but your satnav is with you to help you get there.

I retired from tennis at the end of 2015 and went into the corporate world. I started an executive coaching business which has evolved into a learning and development platform for companies to give autonomy to their employees to invest in their development. I put the same conditions in place in terms of planning and goals to help me get clients and build the business.

I've been lucky enough to spend time coaching Sir Richard Branson on Necker Island. Spending one-to-one time with Richard has been an invaluable life experience. The thing about Necker is you never know who will come through the island at any one time. I was privileged to spend time with a tech entrepreneur who has had several successful exits. One day on the island I asked him about goals and achieving them. He looked at me seriously and said: "What is your vision and work backwards from that." Work as far back as you possibly can.

It's easier said than done to find what that vision is. When I stopped playing professional tennis it took me a few years to decide where the next mountain was and what actually was my vision and where was I going.

In conclusion I would encourage everyone to sit down and ask themself 'what is my vision, what am I looking to achieve, and what can I do on a daily basis to help me achieve that vision?'. ■

...looking at my initial goal and the way it was broken down made it so much more achievable...

Payroll needs to evolve - now

Rohan Geddes, partner – payroll consulting, and **Alanah Hearn, senior manager, people & organisation,** of **PwC Australia,** explain why 'set and forget' payroll is no longer fit for purpose

Payroll has never been a more critical issue for businesses than it is today. Front-page headlines of multi-million-dollar underpayment by some of Australia's iconic brands have put risk committees across the country on alert wondering whether they might be next. Wage trust has suddenly become a topic of BBQ conversations.

Why is this once 'back-office' function now in the spotlight?

For many companies, payroll has long been considered an essential but somewhat unglamorous part of the business. A 'set and forget' mentality has resulted in a lack of support and a lack of focus on governance and compliance. But as recent events attest, the long-term consequences of this hands-off approach are now starting to bite. Payroll needs to evolve to keep up with the changing landscape in which it operates.

The payroll function needs more support and better controls to ensure it can handle the level of risk it carries daily and to provide the business with greater strategic insights.

Complexity driving need for change

The past decade has seen significant shifts in the way people work, with equally significant impacts for payroll. For example, the rise of part-time and casual workers has strained payroll systems with the need to accurately record hours of work, breaks and shifts and accrual of leave.

Systems have also struggled to keep up with increasingly complex enterprise agreements, which typically do not consider payroll implications. On top of this, payroll systems are often inaccurately or incompletely configured. This means they need manual intervention, which wastes time and introduces new sources of error.

The unprecedented disruption of Covid-19 is further compounding these existing complexities. Payroll now needs to accommodate at short notice new arrangements such as reduced hours and temporary flexibility.

'Source of truth'

Another important factor driving the evolution of payroll is the heightened level of scrutiny by regulators. Increasingly, the Fair Work Ombudsman and the Australian Taxation Office are looking to a company's payroll for a single source of truth to draw conclusions about matters ranging from wages to tax to superannuation. Currently, the federal government is relying on company payroll functions to administer the economy-saving JobKeeper scheme accurately and honestly.

And this is not just a trend in Australia. Globally, regulators such as the Low Pay Commission in the UK are looking to payroll data to make decisions (see https://bit.ly/33SYDLM and https://on.ft.com/3nKGKa1).

Payroll as strategic advantage

But the case for improving payroll goes further than addressing regulatory, business and reputational risk. It also presents an opportunity for the function to play a leading role in strategy. Payroll is not only one of the largest expenses on a company's books, but it's also the front line for what is often a company's biggest asset – its workforce. As such, it controls critical data that can be harnessed for making strategic workforce decisions.

In the last few years, new visualisation tools have become available that can quickly unlock important business insights from payroll. These tools can show what people are being paid on a period to period basis and draw conclusions about the changing workforce demographics. They can show how efficiently workforces are being used and how costs can be changed by optimising roster management.

Focus on resourcing and controls

So, how do companies make sure their payroll is operating to its full potential? The first step is to ensure it gets the resourcing and support it needs. Payroll has long suffered from chronic underfunding, and without more investment in training, resources and technology, the function will simply not evolve.

The second step is to adopt a continuous improvement mindset. Practically, this means putting in place the right controls and governance to turn payroll from a 'set and forget' function to one that quickly responds and adapts to the risks and opportunities in the business.

While there is no 'one-size fits all' template, the following twelve principles will help companies create a plan to ensure their payroll function can reach its full potential.

- *Enhance focus on governance and compliance* – payroll is more than transactional.
- *Create role clarity* – articulate clear responsibilities and handoffs.
- *Invest in issue management and remediation* – fix what you need to fix.
- *Standardise ways of working* – be consistent across the function.
- *Build controls* – design roles that enable controls to be appropriately managed.
- *Integrate systems* – link systems to minimise need for manual intervention.
- *Enable accountability* – make people accountable for payroll outcomes.
- *Deliver operational excellence* – build efficient payroll processes and workforces.
- *Drive performance outcomes* – actively manage outsourced providers.
- *Develop capability* – develop and promote best practice.
- *Drive data analysis* – leverage payroll data to drive effective workforce insights.
- *Influence regulator consultation* – contribute to consultation initiatives. ■

...driving the evolution of payroll is the heightened level of scrutiny...

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Unprecedented times lead to unprecedented measures

Vikki Massarano, partner, Arc Pensions Law, discusses pension contributions implications for defined benefit schemes

Although the unprecedented times have led to unprecedented measures, these will not continue unchecked.

Despite the financial assistance on offer in the short-term, caution is necessary about how companies behave during the pandemic with a view to the long-term. Nowhere is this more pertinent than in the sphere of company pension schemes.

In its *Annual Funding Statement* (https://bit.ly/35oAWKJ), published in April, The Pensions Regulator ('the Regulator') recognised that employers are under considerable pressure. Trustees of the UK's 5,500 defined benefit pension plans are encouraged by the Regulator to be supportive of employers, many of which are manifestly facing significant financial pressures and potentially struggling to meet their pension contribution requirements because of the pandemic. The continued existence of a strong employer is obviously important for trustees, who rely on the financial support of their employer to fund the scheme.

The continued ability of employers to pay contributions to schemes is the most obvious risk that needs to be managed and monitored by trustees. The Regulator relaxed its requirements so that late payment or missed contributions did not need to be notified to it as quickly as normal, although this concession is coming to an end. It accepts that trustees may agree to a short-term suspension of employer contributions; however, the Regulator expects trustees to keep any suspension to as short a period as possible, to make sure they are fully informed about the financial position of their employer on an ongoing basis and to ensure they are being treated equitably with other stakeholders in the employer business. Although many initial suspensions have come to an end, the continued uncertainty for many employer businesses means that these agreements are often being revisited and employers may make requests for further extensions based on updated financial information.

> ***...the Regulator has put down a marker that scheme funding cannot and should not be ignored***

In this context, pension scheme trustees are urged to remain 'vigilant'. The Regulator particularly highlighted shareholders' dividends as the most obvious cause of concern, while also cautioning against 'excessive executive remuneration', typically in the form of large bonuses. The Regulator expects trustees who agree to suspend payments into the pension scheme to get a legally enforceable agreement that dividends and returns of capital will not be made before those missed contributions have been repaid.

The relaxation of the rules was, no doubt, welcome relief to some, but it might also have created a false sense of security in terms of future obligations. Trustees and employers need to remember that, rather like the furlough subsidy to employers, delays in the payment of deficit contributions and the Regulator's enforcement activities are only temporary.

Of course, it is acceptable to take unprecedented steps to deal with this unprecedented crisis, but employers should not expect those to continue indefinitely. As ever, trustees will need to make sure that they are being treated equitably and that scheme members are not losing out to shareholders or other creditors.

As with the unexpectedly high level of uptake in the furlough scheme, the Regulator may have been surprised by just how many employers have taken advantage of their position by suspending contributions. In response, the Regulator has put down a marker that scheme funding cannot and should not be ignored. As a result, employers and trustees should not take the relaxations for granted. ■

Guidance on defined benefit scheme funding

The following is derived from guidance on defined benefit scheme funding published on the Regulator's website, supplementing its *Annual Funding Statement*.

It is important that employers provide trustees with the information they need (or at least whatever can reasonably be provided) in a timely manner. Employers are expected to keep trustees informed of any discussions with other stakeholders, such as banks and other lenders, which may impact on the position of the scheme.

The Regulator will be reasonable in scenarios where trustees are being asked to agree to a previously unforeseen arrangement (such as reductions or suspensions in deficit repair contributions, or additional debt being secured over employer assets) provided:

- the need for this can be justified
- a plan is made for deferred scheme payments to be caught up (typically within the existing recovery period timetable)
- a plan is agreed for mitigating any detriment caused to the scheme
- the scheme is being treated equitably compared with other stakeholders: in particular, the Regulator would first expect payments to shareholders (as well as other forms of value leaving the employer) to have stopped.

The Regulator strongly recommends that employers and trustees document their position regarding the treatment of their schemes, particularly as this may assist in any future engagement with the Regulator.

Boosting finance efficiency

Debbie Green, vice president of applications, Oracle UK&I, explains why AI is the key

We're facing the most challenging times of many of our careers. Embracing an agile mindset has never been more important. In order simply to survive, every business is laser-focused on keeping up productivity and efficiency, and companies must look to drive more agile and effective business operations. Today there's a host of emerging technologies that have been purposefully designed to allow businesses to reach new heights in efficiency, from technology that helps to close the books at record speed, to intelligent automation that eliminates those arduous manual tasks that forever remain at the bottom of the list.

Embrace an agile mindset

Of the 700 finance and supply chain professionals (https://bit.ly/2H7MDxc) we surveyed, we found that the 84% that are capitalising on emerging technologies are reaping the rewards when it comes to enhancing their operations. And when artificial intelligence (AI), the internet of things (IoT), and blockchain, are built into commonly-used applications like enterprise resource planning (ERP) and human capital management (HCM), organisations are seeing huge jumps in payroll and finance efficiency – all without long waits or heavy lifting.

For example, by incorporating AI into ERP systems, finance and payroll teams can yield a 36% drop in errors and reduce the time it takes to close the books by 3.5 days. Speeding up these processes while reducing the risk of critical errors is crucial to business resilience, particularly in times of such uncertainty, when employees are relying on their finance and HR (human resources) teams more than ever.

However, as good as their intentions might be, none of this progress can be achieved without the full support of the 'C-suite' (e.g. chief executive, etc). In organisations where the chief operating officer's (COO's) understanding of IoT is lacking, only 14% use IoT to improve supply chain management. This puts them at risk of falling behind the 64% of organisations with IoT-savvy COOs, who are pushing themselves outside of their comfort zones and reaping the resulting rewards. Organisations embracing this technology are seeing a huge increase in overall business performance and are providing their employees with important opportunities to upskill, at a critical time for learning and development.

Automating with AI revs up finance

By harnessing the power of intelligent automation and using it to drive back-office processes, businesses can minimise and, in some cases, eliminate precious time spent on manual tasks. One of the major advantages of investing in a cloud platform with built-in AI capabilities is that these systems use financial consolidation and close capability – along with enhanced narrative reporting – to auto-populate financial statements for use across payroll and other key financial functions. Finance teams using AI technology reported a 30% improvement in productivity, and typically see a 32% improvement in forecast accuracy.

The same can be said for AI-powered chatbots. The use of this conversational technology can transform working practices – for example, in project management, by automatically displaying relevant data to a project manager, the use of a chatbot eliminates the need to look for information across multiple systems. Companies investing in this technology have seen 38% faster analysis and a resulting 36% increase in productivity levels across their teams. By integrating this technology into everyday payroll and financial functions, businesses can equip their employees with the latest tools that will allow them to upskill, be more efficient, and offer a greater contribution to the overall business' performance.

> ***...organisations are seeing huge jumps in payroll and finance efficiency...***

Emerging technologies and the five-year forecast

New technologies and a willingness to explore new possibilities is how businesses can ensure their survival in the current climate. When it comes to emerging technologies, we are still only at the tip of the iceberg with the potential of AI, chatbots and blockchain.

Looking ahead to the next five years, we can expect AI to completely automate most payroll and financial approvals, as well as the financial close; see blockchain reduce fraud by at least half; and see intelligent automation become the critical component to keep pace with rapidly shifting regulations. Empowered by these advances, we can expect to see the payroll and wider finance and HR functions transform. Businesses should be looking to take action now and to prepare themselves and their existing systems for this inevitable change.

While the future might remain unclear, we do know that the businesses that are able to remain agile, open-minded and resilient, are going to be the businesses that come out of the other side stronger than before. By embracing technology here and now, organisations can empower their employees, boost efficiency and re-define resilience. ■

Useful contacts directory

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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.

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

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

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

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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
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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.

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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
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Manchester, M27 6DB
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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

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

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

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

PAYROLL SOFTWARE

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

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

Payescape House
18-20 Church St, Ballymoney, Co Antrim, BT53 6DL
Tel: 028 2764 1060
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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

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

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RTI • Auto-Enrolment • HMRC Integration • Statutory Payment Processing • Irish Payroll Calculation Engine • Employee Self Service • Payslip Mobile App • HR Integration

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Bucks, SL7 1DD
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Contact: Steven Spires Email: sales@payrollbs.co.uk
Website: www.payrollbs.co.uk

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

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

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

PAYROLL TRAINING AND QUALIFICATIONS

Chartered Institute of Payroll Professionals
Goldfinger House, 245 Cranmore Boulevard, Shirley,
Solihull, West Midlands, B90 4ZL
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.

PayDashboard
4th Floor, 86-90 Paul Street, London EC2A 4NE
Tel: 020 377 33 277
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PROFESSIONAL BODIES

The Chartered Institute of Payroll Professionals
Goldfinger House, 245 Cranmore Boulevard, Shirley,
Solihull, West Midlands, B90 4ZL
Tel: 0121 712 1000
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
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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,
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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

*as taken from a recent membership survey.

Confessions of a payroll manager - All by myself (don't wanna be!)

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

I have to confess being always keen on the idea of working from home (pre-pandemic): pegging my washing out in the morning and knowing I could run and get it in if it rained, being in for every delivery, no more commuting so a longer lie-in. The reality has been rather different.

I really am a people person. I like the interaction, seeing folk in full 3D without glitches or pixilation, and the general hum of the office, too: the chitter chatter with occasional outbreaks of collective laughter or initial call out of 'cuppa tea?' followed by a chorus of 'oooo, yeah, go on' and 'not half'.

To break up the silence I listen to local radio, and now know all the words to the Bathroom Workshop jingle and can lip sync all the terms and conditions to perfection. I also can't stand Scorpions' Wind of Change anymore because it's played every hour on the hour just to vex me. (It's additionally distressing because it's been my go-to karaoke track for years!)

To try and ease the loneliness (and stop me constantly talking to Alfie, my pet rock) I've scheduled team meetings Monday mornings and Friday afternoons – and started phoning in with 'opinions' when the radio goes into the heavier stuff in the afternoons. (I gave our local MP what-for about the lack of streetlights last Tuesday – he didn't know what had hit him!)

Regardless of the challenges of working from home, work has continued apace in the payroll team. Pre-pandemic we'd been used to employees dropping-in to the office with queries. It was all informal but at least people knew where we were and felt able to approach us. Although emails have been pinging in (so people have still felt able to ask for help) it just seemed rather messy and slow. I tasked the team to come up with a virtual alternative, and I love what they've created! We now have a fantastic initiative called 'Welcome Wednesday' where the team are available on a virtual Zoom call for any 'drop-ins' and can then spin-out to a virtual chat room to discuss employees' individual problems. (Jace has set up a way of collating the questions to create a FAQ section on our website if we get the same query coming up over and over.) When you first log in it's a bit like looking at the panel on Blankety Blank, only this time you get to pick one of my lovely team rather than a celebrity to help you – which is probably for the best as I can't imagine Julian Clary or 'her from Corrie' knowing much about salary sacrifice.

Jace has taken on the task of going into the office once a week to pick up the post and collect any notes that have been left. The pile he brings round always amazes me. In an age of digital and paperless offices there's still an awful lot of paper about; HMRC, Office for National Statistics, and the Child Support Agency all seem oblivious to the digital revolution.

It's always lovely to see Jace with the post every Thursday. I stand there at the door – hovering at what I hope is two metres – trying desperately not to break into a hug! We have a good old natter and he tells me all about Billie and Albert – ah, people!

Crumbitts have adopted virtual team meetings too, and Mr Crumbitt has a weekly live all-staff briefing to update the team on the business. It seems in lockdown we are all eating more biscuits and the factory is busier than ever. Last week, Mr Crumbitt announced that he would be sending out a 'biccie box' containing the new 'Homeworking Heroes' selection pack to everyone who was working from home – great for morale, terrible for my waistline.

Another confession: aside from struggling with working from home, talking to Alfie and eating too many biscuits, I also found myself working later, all the time. I just kept on answering emails. One night it was 9pm before I stopped! Enough was enough (even Alfie Rock agreed) so the next day I set my alarm for 5.30pm, shut off my computer and walked around the block on a mock 'commute'. Much better, and it helped me work off some carbs.

I've just signed off the BACS – so another month of uninterrupted pay for our lovely employees – and it's made me realise that when I first started in payroll this could never have happened. The computer I had back then would have had to be winched into my flat, for a start – and the internet was dial up so no chance of meeting deadlines or working smoothly. Although things are difficult and we're all struggling, I'm thankful that we have the technology to carry on working – and keep on seeing each other, even if we do look like the opening titles of the Brady Bunch. ◻

The Editor: Any resemblance to any payroll manager or professional alive or dead, or any payroll department or organisation whether apparently or actually portrayed in this article is simply fortuitous.

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