

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 53
September 2019

Keeping the UK Paid



PAYROLL

The devil in the details

Frequency concerns

No one puts payroll in the corner

Centre of attention

It pays to be accurate

Insights and focus



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Editor's comment

An abundance of high-quality, informative articles in this issue means being selective about those I mention.

I hope Anju Puri's article (page 13) enchants and enthral you as much as it

does me. Reading that she would be stopped by employees saying they had worked overtime or been on holiday reminded me of my own happy payroll management experiences. Does this resonate with you, too?

The article surely confirms that 'payroll' engages skilled individuals, offering a challenging career with essential continual learning and development. Furthermore, it also confirms that payroll is now a key function in accountancy practices, providing a primary route to obtaining clients and other work.

I also hope you enjoy Henry Tapper's article (page 34). Though I have a personal view about 'Brexit', I've deliberately avoided including opinions recognising that it is a highly emotive and divisive issue. (Brexit joins religion, politics and royalty as taboo topics.) So, I'm happy and relieved that Henry's article provides a balanced view – well, in my opinion.

Throughout this issue you'll find several articles relatable to the wide-ranging feature topic of 'Keeping the UK paid'. I recommend Ian Whyteside's thought-provoking article (page 15).

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



Chair's message

From my very first steps in payroll, I learnt how emotive and important it is to every individual to have their pay calculated correctly. In the construction industry, the teams working in tough conditions on site

knew the bonus they had earned to the penny and there would be hell to pay if there was an error in the calculations. Today's environment is just the same. We hear how for many households an unexpected bill for a sum as much as £500 would be enough to seriously impact finances. With many of the UK population working from month to month, the role and dedication of their payroll, pensions and reward professionals is paramount to ensure they are paid accurately and on time.

On behalf of all the employees you serve, I thank all of you who show the dedication to deliver to these standards every single pay period. It is possible that you may know of individuals who deliver payroll 'at the side of their desk' or as part of a broader remit of responsibilities. This group predominantly work in small-to medium-size enterprises/businesses and I would urge all of you to challenge

them to become members of the CIPP to ensure the knowledge they hold is present. With financial concerns being one of the biggest factors to influence health and wellbeing, the so-called hygiene factor of being paid correctly is critical.

Everything that an individual does financially has a bearing on their pay. It is the common denominator that gives leverage for so many other choices that they will make in life. So, when decisions are made about the gross salary someone receives, the deductions taken from it must be correct to allow all those other 'purchases' to happen. Often, helping an individual employee whose subject matter expertise is not payroll to truly understand how statutory deductions operate, can be so rewarding.

Thank you all for keeping the UK paid. You are all heroes!

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



CEO's message

I hope you all managed to take time out for a break. Summer may now be a distant memory as we enter autumn, but this is a crucial time for the CIPP and members in terms of education, training and key events.

In our fast-paced world, the CIPP continues to ensure our content and material is accurate, timely and up to date. Over the last few months we have invested substantially in two of our key educational offerings: the Payroll Technician Certificate and the Certificate in Pensions Administration.

The Payroll Technician Certificate continues to grow year on year and is evidentially crucial for those entering the profession, needing a refresher or returning into the payroll industry. With the option of online and/or face-to-face delivery it addresses the needs of when and how this educational training can be fitted into our busy schedules.

An increased take up of our online Certificate in Pensions Administration shows how more payroll professionals play a key part in the administrative area of pensions. For the benefit of our members, we have recently had this material refreshed and ensured

it is fit for purpose by leading industry experts.

It is encouraging that as each year passes that employers are actively ensuring their payroll and pensions staff are suitably educated; the CIPP are pleased to play a leading part in this.

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

Hopefully you're all prepared for National Payroll Week in September as the key importance of your role within your business is emphasised. Closely following this is our Scottish National Conference in September and our Annual Conference and Exhibition in October. I hope to see you at one of these events.

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



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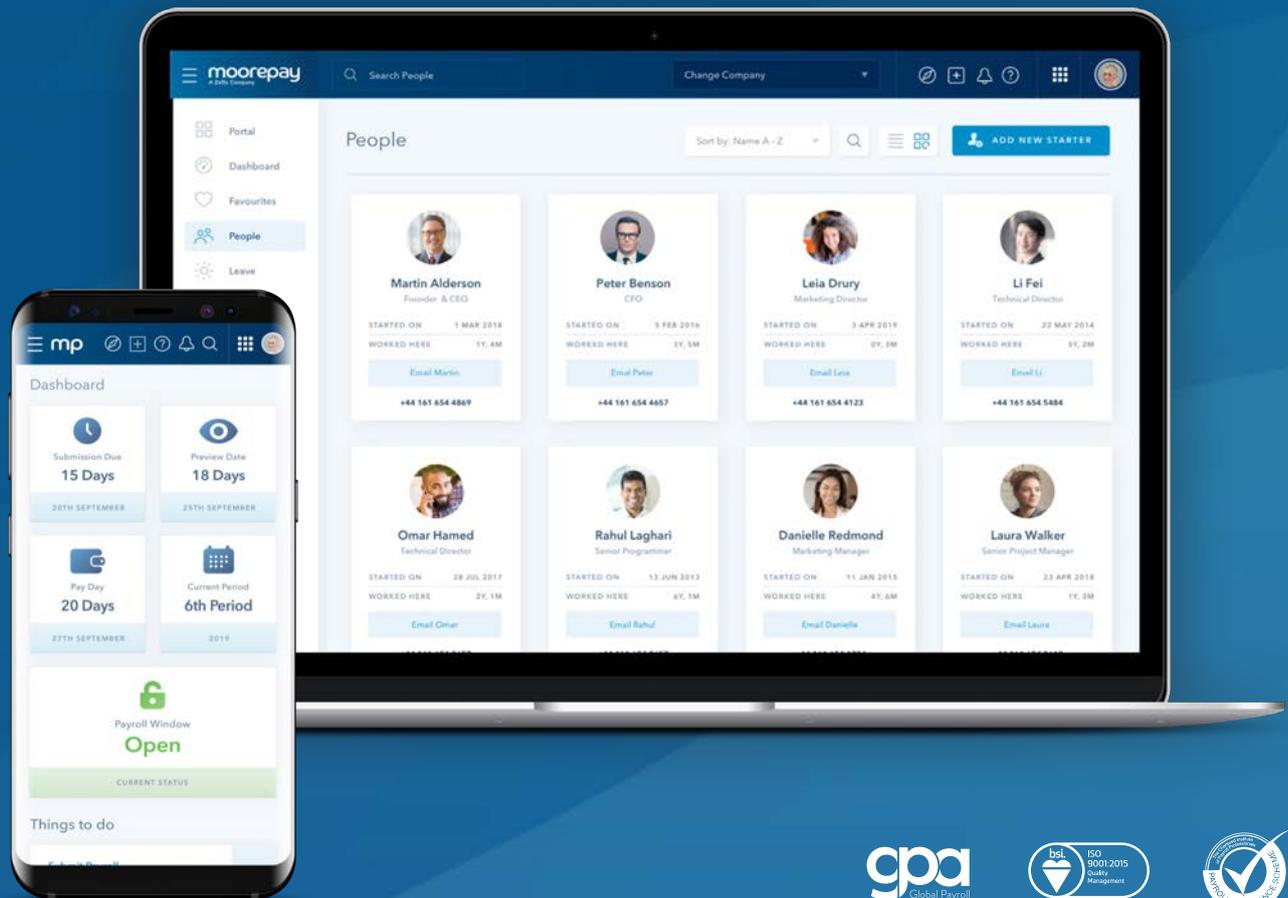
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CIPP update

Payroll Assurance Scheme



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

- Armstrong Watson
- Domestic and General
- Eque2 Limited
- Hays Specialist Recruitment Ltd
- Moore Stephens East Midlands
- Sunrise Senior Living

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

Visit cipp.org.uk/PAS or email info@cipp.org.uk to find out more about the Payroll Assurance Scheme.

CIPP shortlisted as best overall UK association for the third time

THE CIPP has been announced in the shortlist for the Association Excellence Awards Overall Best UK Association for the third time.

Founded in 2014, these awards have gone from strength to strength and are the acknowledged accolade to recognise and reward the hard-won achievements of trade bodies, professional membership organisations and associations. Bringing together an outstanding panel of judges, representing associations from every sector, these awards recognise individuals, teams and initiatives and highlight excellence in how trade bodies operate and serve their members and clients.

The CIPP first achieved this award in 2016, were recognised in 2018 with a bronze trophy and is now listed within the shortlist for 2019. The lunch time awards take place on Friday 11 October.

Julie Northover ChFCIPPdip awarded Chartered membership

FOLLOWING THE Chartered member assessment panel in July 2019, we are delighted to announce that Julie has been awarded Chartered membership. Julie is a CIPP trainer, Payroll Assurance Scheme assessor and consultant widely respected within the industry and we are delighted that she has achieved Chartered membership with the Institute.

A full list of Chartered members can be found on the CIPP website – <http://bit.ly/2GQejTe>.

Chartered membership demonstrates the highest level of professional membership in the industry and recognises those individuals who have worked hard to raise the profile of payroll and their professional standing through education and continuing professional development. It demonstrates to employers that you are committed to keeping up to date and raising the standards of best practice within the industry.

To become a Chartered member, or find out more, visit cipp.org.uk/chartered or email membership@cipp.org.uk.



Annual Excellence Awards shortlist announced

AFTER RECEIVING a record number of award nominations for the CIPP's Annual Excellence Awards, the shortlist will be announced during National Payroll Week 2019. Visit cipp.org.uk for details of the shortlist which will also be announced through *News Online* and social media.

The 2019 Annual Excellence Awards is the CIPP's 16th awards ceremony and will be hosted by Hugh Dennis. Hugh is a comedian, writer, actor, impressionist and voice-over artist, best known for his work with comedy partner Steve Punt and for the comedy series *Outnumbered* and *Mock the Week*. He is also a talented and captivating after-dinner speaker and awards host.

A skilled impressionist, Hugh did voices for *Spitting Image* and appeared with Punt as resident support comics on two TV series hosted on the BBC by Jasper Carrott.

He has performed on various TV and radio shows, including *The Imaginatively Titled Punt and Dennis Show* and sitcom *Me, You and Him*. He has guest hosted *Have I Got News For You* and played obnoxious GP Piers Crispin in BBC sitcom *My Hero*. He is friends with Chris Morris and has had cameos on *Brass Eye*. He is in huge demand as a voiceover artist and he currently appears on the panel game *Mock the Week*, in which he frequently refers to Showaddywaddy and car insurance.

Since August 2007, Hugh has starred in the hit BBC comedy *Outnumbered*, a semi-improvised sitcom based around family life which has won numerous awards.



On your
behalf

UPDATE

Policy team update



Diana Bruce MCIPDip, CIPP senior policy liaison officer, provides details about recent and ongoing consultations

A plethora of consultation documents have been published in recent months, so the CIPP policy team have been busy gaining members' views on the proposals and changes to processes that are in the pipeline (some of which are summarised below). Please look for ways of getting involved through *News Online*, email and social media. It may be through a survey or a think tank or directly – whatever the method, if you have experiences to share or views on the subject, please do get involved – we need your expert knowledge to help influence policy.

The Employment Allowance (Excluded Persons) Regulations 2019

Draft regulations were published for technical consultation in July 2019 which, if enacted, will mean the employment allowance (EA) is to be restricted to those with a secondary (i.e. employer only) class 1 National Insurance contributions (NICs) liability of less than £100,000 in the previous tax year.

The draft regulations reclassify the EA as state aid. Employers will need to ensure that any EA claimed does not take them over the state aid limit for the sector in which they operate. The state aid sectors are: agriculture, fisheries and aquaculture, road haulage, and 'other' (industry).

It is unlikely that the payroll function will currently be involved to any extent (if at all) but we recommend that you talk to colleagues within your organisation who are responsible for accounting for government funding that constitutes de minimis state aid. An employer could become ineligible where it is in receipt of 'de minimis state aid', and claiming the £3,000 EA will breach the ceiling of 200,000 Euros.

The draft regulations as written, will

bring about significant reporting and administrative challenges to payroll processes for reporting via real time information (RTI) by employers that continue to claim the EA from April 2020. The following details are to be reported in the employer payment summary (EPS):

- EA indicator (already present in the EPS)
- the state aid sector in which they operate
- the amount of state aid allocated in the current tax year, plus the amount of state aid claimed in the previous two tax years. The value is to be expressed in Euros, using an exchange rate published by HM Revenue & Customs (HMRC) on 1 April.

The EA eligibility declaration will cease to be carried over – by virtue of the £100,000 secondary NICs exclusion level – so must be considered and declared annually.

This consultation closed on 20 August 2019.

...EA eligibility declaration will cease to be carried over...

Off-payroll working in the private sector

HMRC has published a consultation on the draft legislation and measures being included in the 2019–20 Finance Bill (<http://bit.ly/2TamS14>) which confirm that reforms to off-payroll working in the private sector for medium and large businesses will come into effect from April 2020. The reforms will make organisations responsible for determining whether the existing rules apply to the contractors they hire and ensuring the necessary employment taxes are paid. This measure will have effect for

contracts entered into or payments made on or after 6 April 2020.

The draft legislation:

- defines when non-public sector organisations, including unincorporated organisations, will be considered to be 'small' and therefore not within the scope of the reform, and
- includes provisions to ensure that all parties in the labour supply chain are aware of the organisation's decision and the reasons for that decision, and will introduce a statutory, client-led status disagreement process to allow individuals and fee-payers to challenge the organisation's determinations.

HMRC consulted on the detail of the reforms earlier this year and in April 2019 published guidance (<http://bit.ly/2ZRih6X>) on the action engagers can take to prepare for the reforms. (See pages 20–21 for details.)

The consultation closed on 5 September 2019.

Good work plan: establishing a new single enforcement body for employment rights

As part of the 'Good Work Plan', in July 2019 the government published a consultation (<http://bit.ly/2yLipby>) which seeks views on whether establishing a new single enforcement body for employment rights could improve enforcement for vulnerable workers and create a level playing field for the majority of businesses that are complying with the law.

The Department for Work and Pensions (DWP), which is responsible for policy on statutory sick pay (SSP), is considering reforms (see 'Health is everyone's business' below), including options to strengthen enforcement. One of the questions posed in the consultation is whether a new single enforcement

body would be better placed to take on enforcement of SSP if its process is strengthened.

The consultation also asks whether this new body should have a role in relation to discrimination and harassment in the workplace and also what role should it play in enforcement of employment tribunal awards.

...considers how a rebate of SSP for small- to medium-size enterprises...

Through this consultation, government want to consider the case for a new single labour market enforcement body and whether it could deliver:

- *extended state enforcement* – delivering the commitments to enforce holiday pay for vulnerable workers and regulate umbrella companies operating in the agency worker market
 - *a strong, recognisable single brand* – so individuals know where to go for help. In a single organisation the user journey could be improved, making it easier for individuals to raise a complaint and to tackle cases that might currently be handled by different organisations
 - *better support for businesses* – to comply with the rules, including coordinated guidance and communications campaigns, and a more easily navigable and proportionate approach to enforcement
 - *coordinated enforcement action* – with new powers and sanctions to tackle the spectrum of non-compliance, from minor breaches to forced labour and increased focus on high harm cases to disrupt serious, repeated offending
 - *pooled intelligence and more flexible resourcing* – enabling greater sharing of intelligence and national tasking and coordination of operational activity targeted at tackling serious breaches
 - *closer working with other enforcement partners* – including immigration enforcement, benefit fraud, health and safety, The Pensions Regulator and wider local authority enforcement.
- The consultation states that this would not be an exercise to reduce costs; resource for enforcement

would be maintained but used more effectively. Funding for new areas, such as enforcement of holiday pay for vulnerable workers will be considered through the spending review.

The consultation closes on 6 October 2019.

Health is everyone's business

Reforming SSP forms part of the consultation *Health is everyone's business* (<http://bit.ly/2TaY5tP>) published in July 2019. It includes proposals to amend the rules of SSP to allow for phased returns to work following sickness absence and to widen eligibility for SSP to extend protection to those on the lowest incomes.

The government proposes to reform SSP so that it is available to all employees who need it, is more flexible in supporting employees and is underpinned by a suitable enforcement framework. Proposed changes include:

- amending the rules of SSP to allow for phased returns to work following sickness absence
- widening eligibility for SSP to extend protection to those on the lowest incomes, and
- strengthening compliance and enforcement of SSP to ensure employees are paid what they are due.

Alongside these specific reforms, the consultation also considers how a rebate of SSP for small- to medium-size enterprises that demonstrate best practice in supporting employees on sickness absence, might be designed. The government is also interested in exploring ways to record SSP payments and use this information to provide helpful prompts and advice to employers.

The government is not proposing to make any further changes to the structure of SSP beyond the reforms outlined above; however, it has considered the extent to which the rate and length of SSP drives employer behaviour and is interested in views on this.

The consultation further proposes improving access to occupational health services with additional support for small employers including a potential subsidy and for government to provide best practice advice and support for employers on managing health and disability in the workplace.

This consultation closes on 7 October 2019. ■

ENROLMENTS NOW OPEN

Certificate in Pensions Administration

Overview of UK pension schemes

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Creating and maintaining pension scheme member records

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

Q: We have an employee who has been in receipt of a fuel benefit paid by the employer. I would normally expect to report this in the P11D return, but the employee's earnings for tax year 2018–19 were under £8,500. My understanding is that there is no requirement to submit a P11D to HM Revenue & Customs (HMRC) for all expenses and benefits that are paid to UK-based directors or employees earning under £8,500.00 per year. Is this correct?

A: The £8,500 threshold was abolished along with the P9D return a few years ago and now all employees who receive a benefit in kind from their employer must have it reported via a P11D return, regardless of the amount of their earnings. HMRC will assess everything and will determine if tax is or is not due on the benefits reported. Guidance can be found at the following link: <http://bit.ly/32OzZ12>.

Q: Can you please clarify if the 50% regulatory limit for tax applies to all taxable earnings, including benefits in kind (BiKs), or should it only be applied to the employee's taxable salary excluding payrolled BiKs?

A: I can confirm that HMRC guidance states that the 50% regulatory limit does not include taxable BiKs and it is only the other elements of taxable pay that count towards this check.

Q: Please can you advise if employer's National Insurance contributions (NICs) are due on termination payments above £30,000? I can recall that there

was something mentioned in the HMRC guidelines that this had changed but I am not sure if this has been implemented or deferred.

A: The new NICs rules for termination payments above the £30,000 threshold have not yet changed, but they are due to change with effect from 6 April 2020. From this date termination payments above the £30,000 threshold will attract employer's class 1A NICs only, alongside the normal taxable element for the employee.

Q: I currently have an employee on long-term sick, who has exhausted their company sick pay as well as their statutory sick pay (SSP). In-order to help him back to work we have investigated the option of paying for some medical treatment and the cost for this has been quoted as £2,167. I understand that there will be tax implications – a reportable BiK for the employee. Are you aware if this can be covered under an exemption?

A: We can confirm that if your scenario meets HMRC criteria, then the first £500 of this can be paid free of income tax and NICs with the balance reported as a BiK. You must ensure that this meets the criteria set out by HMRC: please use this link <http://bit.ly/2LDzsoG>. It would also be helpful for you to check the subsequent pages EIM21775, EIM21776 and EIM21777 which should help with your scenario.

Q: An employee started with our organisation on 23 May 2019 and will not be paid until June 2019 as they

missed the payroll deadline for May's payment. They are due back-pay for the period 23–31 May which will be included in their June payment. What is the rule for the tax and NICs due on their May payment?

A: The tax calculation is normal: a single tax allowance for June is due, but this is dependent on whether the employee provided a form P45 or signed a new starter declaration.

The NICs in this scenario should always be calculated over two months; for example: calculate the NICs that should have been paid for the May and June earnings separately. This may mean you have to do a manual override if your system cannot do this for you. Guidance can be found in the CWG2 guidance: see 3.1.5 Working out National Insurance contributions when you first pay an employee, at the following link: <http://bit.ly/2GrBbcq>.

Q: As a company, we offer our employees personal loans, with repayments for the loan occurring via payroll deduction each month. Could you please advise if we would report the loan as a BiK via a P11D return?

A: Whether the loan is a reportable BiK or not would depend on the value of the loan that is given to the employee by the employer. The threshold for small beneficial loans is now £10,000 and providing that the loan is no higher and the repayments are made via a net deduction, there would be nothing to report in a P11D return. Keep in mind that if an employee has more than one loan these would need to be aggregated to determine whether the total exceeds the £10,000 limit.

This link is to a working sheet that can assist you in finding the value that would need to be reported if the above applies: <http://bit.ly/2Y1Pdw1>.

Q: We currently have an employee who unfortunately didn't qualify for statutory maternity pay (SMP) and is therefore in receipt of maternity allowance (MA) whilst she takes her statutory maternity leave (SML). I have been asked if the normal rules around keeping-in-touch (KIT) days would still apply. Are you able to offer any guidance?

A: Whilst an employee is in receipt of MA (as she does not qualify for SMP) she is entitled to work up to ten KIT days without

any impact on the MA that is received from the Department for Work and Pensions (DWP) / Jobcentre Plus. The employee should inform the DWP/Jobcentre Plus of the dates of the KIT days.

Just as with SMP, if the number of KIT days exceeds the maximum ten allowable, the employee will lose some of her MA.

The employee and employer should agree what the rate of pay will be for the work done on these KIT days and the employer should pay at least the appropriate national minimum wage or national living wage rate for hours worked during a KIT day.

Q: Please can you help with queries for homeworkers who claim expenses, as I have been asked whether the employer must reimburse additional household expenses?

A: It is the employer's decision as to what they pay or reimburse, but there are statutory rules as to what should be subject to tax and NICs. If, for example, broadband is already in place that the employee pays for, it would be counted as a benefit if the employer reimburses part or all of it. If there isn't any broadband in place and the employee requires this to do their job, then it could be exempt.

There is a flat rate that the employer can pay each week or month. This is £4 per week or £18 per month. If this is used the employer doesn't have to provide evidence to justify the amount paid.

Q: One of our employees is currently on adoption leave and also awaiting a further placement confirmation. This means there will be overlapping statutory adoption pay (SAP). Will the employee be entitled to twenty KIT days?

A: The employee may be entitled to two lots of SAP, but only if there are different matching certificates. They would end one period of SAL (statutory adoption leave) and start another. Therefore, in each period they could have ten KIT days, but they couldn't save KIT days from the first period and use them in the second period of SAL.

Q: An employee has requested statutory shared parental leave (SShPL) and pay (SShPP), but the mother (not our employee) has a fixed-term contract which will end before her full SML has ended. Will the partner be entitled to

SShPL and SShPP as the plan is to take the leave and pay before the mother leaves?

A: If the partner is eligible for SShPL at the time of employment, then potentially s/he is entitled to SShPP if the employee curtails her right to SMP. The mother will still be entitled to SMP after the employment has ended if she does not work for another employer after the baby is born and she has not curtailed her right to SMP.

Q: Are fuel cards a taxable benefit that can be administered through payroll? Do all benefits have to go through payroll to be reported in the full payment submission (FPS), and is it compulsory to payroll?

A: If an employer wants a benefit to be reported via FPS you would do it through agreement to payroll benefits, but it is not compulsory to payroll benefits at this point.

If you want to tax this via the payroll it would be payrolling and the employer must register with HMRC to do this before the start of the tax year. Where you want to payroll a benefit which hasn't been agreed before the start of the tax year HMRC may give approval to informally payroll benefits, but you will still have to complete a P11D return. This link explains that you may be able to get agreement to informally payroll: <http://bit.ly/2GrL6yN>. This is an extract from the page for clarity:

"If you miss the registration deadline, you cannot payroll benefits until the following tax year unless you have a valid reason, when HMRC may agree that you can informally payroll. You must still complete form P11D at the end of the tax year and mark each P11D 'Payrolled'. This stops HMRC collecting tax that has already been deducted from your employees." ■

Correction

Please note the following correction to the last question/answer on page 9 of Issue 52.

Q: An employee who turns 21 on 15 July will be paid earnings on 26 July. At what point does the class 1 NICs category change?

A: The relevant trigger is the employee's age on payday. In your example, the employee turns 21 before payday, so the NICs category should be changed from M to A and class 1 NICs applied for both the employee and the employer.

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*correct at time of publication



CIPP National Forums 2019

This year's series of well-attended National Forum meetings featured stimulating and lively discussions across a range of topics

The speakers

Jill Bonehill, *account manager, CIPP*
 Diana Bruce MCIPPdip, *senior policy liaison officer, CIPP*
 Benjamin Carter BA (Hons) FCIPPdip, *payroll trainer, CIPP*
 Rachel Chalmers, *reward manager, Ernst & Young LLP*
 Jason Davenport MCIPP, *chair, CIPP*
 Louise Gray ChMCIPP, *payroll manager operations and delivery, PwC*
 Stuart Hall MCIPPdip MA PGMdip, *non-executive director, CIPP*
 Helen Hargreaves MSc ChFCIPPdip FHEA ACIPD, *associate director of policy, CIPP*
 Ros Hendren MSc FCIPPdip CMgr FCMIIdip FHEA, *non-executive director, CIPP*
 Lizabeth Lay MSc FCIPPdip, *non-executive director, CIPP*
 Helen Livesey, *senior business director,*

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 Samantha Mann MAAT MCIPPdip, *senior policy and research officer, CIPP*
 Tim Scott, *payroll product manager, XCD*
 Jill Smith MCIPPdip, *policy manager, CIPP*
 Carsten Staehr FCIPP, *chief executive officer, Cintra HR & Payroll Services*
 Karen Thomson MSc ChFCIPPdip FHEA, *non-executive director, CIPP; partner, head of payroll & employee services, ArmstrongWatson*
 Paul Tucker, *employment tax partner, Smith & Williamson LLP*
 Chris Turnbull, *head of product & marketing, Covid Paygate*
 Cliff Vidgeon FCIPP, *non-executive director, CIPP*
 Graeme Walker, *XCD*
 Ian Whyteside FMAAT MCIPP ATT, *non-executive director, CIPP*

Locations and sponsors

The National Forum meetings were held at venues across the UK from May to July, as follows:
 Bristol, 2 May – sponsor: XCD
 Belfast, 9 May
 Manchester, 16 May
 Cardiff, 22 May
 Glasgow, 6 June
 Newcastle, 18 June – sponsor: Cintra HR & Payroll Services
 London, 12 & 13 June – sponsor: Covid Paygate
 London, 10 & 11 July
 Birmingham, 17 July – sponsor: Hays Webinar, 10 July

Introduction session

Jason Davenport, Stuart Hall, Ros Hendren, Lizabeth Lay, Jill Smith, Karen Thomson, Cliff Vidgeon and Ian Whyteside shared the role of opening and leading the Forum meetings and introducing the speakers and fielding attendees' questions.

The introduction included a CIPP update, covering:

- information about the CIPP, including the new edition of the *Compact Payroll Reference Book*
- making the most of your membership
- MSc in strategic leadership
- #bepayroll
- National Payroll Week 2019 – Keeping the UK paid
- finding the CIPP.

Legislative update

Ben Carter, Helen Hargreaves, Samantha Mann and Jill Smith delivered these sessions, which provided coverage of a wide range of topics and issues, including: Welsh rate of income tax; employment allowance; student loans; payslips; apprenticeships; minimum wage; changes to RTI reporting; workplace pensions; fair and decent work; increasing pay transparency; holiday pay guidance; off-payroll working.

The sessions also set out the role and activities of the CIPP policy and research team, which includes running Think Tanks / surveys / forums, responding to consultation documents, and publishing Payroll: need to know, the devolution matrix, and further information and guidance.

IR35 / off-payroll working in the private sector

These sessions, which were delivered by Paul Tucker, Louise Gray, Rachel Chalmers, Karen Thomson, and representatives from HMRC, covered various aspects of the extension to the private sector from 6 April 2020 of the off-payroll rules currently operating in the public sector.

Delegates received advice on how to proceed, and to whom the rules will apply.

How did we survive before payroll software?

Tim Scott and Graeme Walker delivered these sessions, which included a look at payroll in the past and today, and ideas of what payroll will look like on the future.

How did we manage without payroll software?

These sessions which were delivered by Stuart Hall and Carsten Staehr looked at possibilities in the future, including

AI, daily payrolls, increased pension information, local taxation/deductions etc.

Rethink payroll payments

Chris Turnbull discussed payroll/payments,

current ways of working, how software helps, the future of payroll payments and things to consider.

Future skills – A shifting landscape

Helen Livesey presented this session, drawing on findings from Hays’ payroll report and salary guide for 2019. ■

Webinar
The online national forum was opened by Jill Bonehill, with Sam Mann delivering the legislation update and IR35 sessions, with Tim Scott presenting the part on How did we survive before payroll software?

Thanks to our National Forum sponsors:



Public sector SIG report

The CIPP’s public sector specialist interest group, which covers local authorities, NHS and education, has held two free-of-charge meetings this year. A further meeting is planned for October and another in February.

The CIPP thank PwC, RSM and Ernst & Young for their kind hosting and supporting of the events.

The ‘winter’ annual update

This event – the sixth annual public sector update for payroll and HR professionals – was held at PwC’s Embankment Place, London offices on 7 February 2019. Shaun Tetley FCIPPdip, chair of the CIPP public sector SIG, and Caroline Rai, PwC, welcomed delegates.

A wide range of speakers covered topical public sector content on payroll, pensions and HR. The agenda included:

- exciting news on pensions – James Walsh, PLSA
- legislation update – Jill Smith, CIPP
- update from The Pension Regulator – Neil Esslemont
- employment law update – Jade Linton, Thurston’s
- IR35 – How’s it all going? – Caroline Rai, PwC
- National minimum wage – Gary Saunders, PwC

- Local Government Pension Scheme (LGPS) update – Jeff Houston, LGPC
- customer engagement; tax compliance – Colin Shingler, HMRC, Mark Carroll, HMRC.

The ‘summer’ meeting

This meeting was held on 4 June 2019 at the offices of RSM Farringdon, London. Shaun Tetley FCIPPdip, chair of the CIPP public sector SIG, opened the event, welcoming delegates.

The agenda comprised:

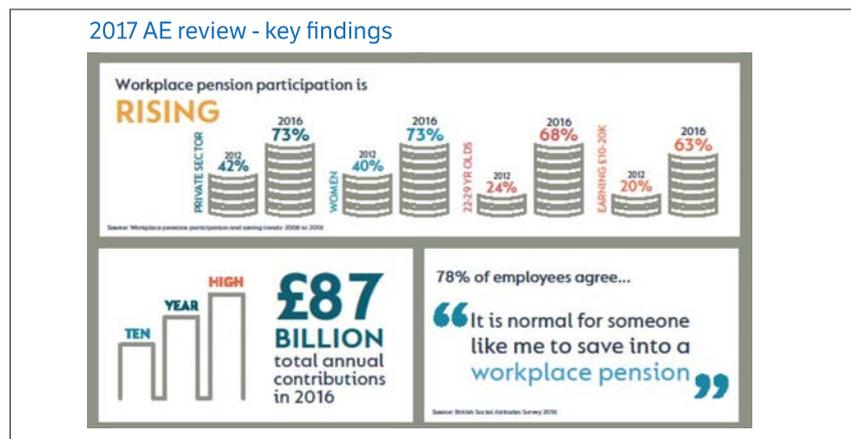
- legislative update – Jill Smith, CIPP
- LGPS cost cap and legal update – Gary Delderfield, Eversheds
- update from The Pension Regulator – Andy Nicholls, TPR

- exercising reasonable care to mitigate employment tax risk – Lee Knight, RSM
- real time information and universal credit – Steven Tucker, The Payroll Site.

Forthcoming events

The following two events will feature the usual mix of excellent speakers covering legislative and other important updates. Further details on content and the agenda to follow in due course.

- The ‘autumn’ meeting will be held on 10 October at the Ernst & Young offices, London.
- The all-day ‘winter’ meeting is scheduled to be held on 6 February at the PWC offices, Embankment, London. ■



FUNDING

↓ STRAIGHT AHEAD ↓

Apprenticeship levy – use or lose it

Jill Smith MCIPPDip, CIPP policy manager, explains how the apprenticeship levy and funding operate



From about the start of the last major recession, which was 2007, there has been an increase in unemployment particularly in people leaving school, college and higher education establishments, such as universities. Government has continually been looking at ways to address this issue as this category of the unemployed presents both a social issue and has the potential to impact a whole generation.

Prior to April 2015 the apprenticeship programmes were voluntary, and despite the support of government through financial incentives and the subsidies for training and salaries, they have largely collapsed or been exploited. The apprenticeship levy ('the levy') was announced by Chancellor of the Exchequer George Osborne in the July 2015 budget. It was subsequently incorporated into law by Part 6 of the Finance Act 2016 and came into effect at the start of the 2017–18 tax year.

Skills and training are devolved policy areas and whilst the levy is UK-wide this article focusses on arrangements for England. To be eligible to undertake an apprenticeship in England an employee's workplace must be in England and they must spend most (50% or more) of their time in England during their apprenticeship. It does not matter if the employee's place of residence is or is not in England.

When you need to pay it

The levy is paid through the pay as you earn (PAYE) process in the same way employers pay income tax or National Insurance contributions. The levy is payable by all employers with an annual pay bill in excess of £3,000,000. This includes smaller employers that are connected to other businesses or charities for the employment allowance if in total they have an annual pay bill of more than £3,000,000.

...levy paying employers need to register for an apprenticeship service account...

The 'pay bill' is defined as earnings such as wages, commissions and bonuses liable to class 1 secondary National Insurance contributions. The levy is payable at 0.5% of the employer's pay bill.

If an employer is not connected to another business or charity they will have a levy allowance of £15,000 each year, which reduces the amount payable by £15,000 across the year. This means that only employers with an annual pay bill of more than £3,000,000 will pay the levy. Associated companies or charities will only

have one £15,000 allowance to share between them.

How to invest the levy

All levy paying employers need to register for an apprenticeship service account ('the account'). Once this has been actioned the money can then be paid across into this account. Funds in this account can only be used for apprenticeship training and assessment.

The account is currently only available to employers that pay the levy or to non-levy paying employers in receipt of a transfer of funds from a levy paying employer.

The amount in the account is calculated by multiplying the monthly levy paid to HM Revenue & Customs (HMRC) by the proportion of the employer's pay bill paid to their workforce in England (referred to as the 'English percentage'), plus a 10% top up on this amount from the government. These funds are then available for spending in England.

Often employers are not aware of the full range of occupations and levels covered; however, this link – <http://bit.ly/2Z7K8yY> – shows what standards are available and also the variety of levels available to benefit employees at different stages in their career. While lower-level 16–18 apprenticeships are important, a large range of higher-level apprenticeships are on offer which are perfect for up-

skilling existing teams.

Apprentices can be of any age and do not need to be new starters. Investing in current staff through apprenticeship training can exceedingly enhance employee retention and develop the skill set within your business. For instance, the CIPP offers a three-year MSc level 7 qualification in strategic leadership that provides payroll, human resources and reward managers with the skills and knowledge to shape the future of their organisation, which can be funded through the account.

Employers can only use funds in their account to pay for apprenticeship training and assessment for apprentices who work at least 50% of their time in England and only up to the funding band maximum allowed for that apprenticeship. If the costs of the training and assessment go over the funding band maximum, employers will need to pay the difference themselves.

Account funds cannot be used to pay for other apprentice costs such as wages, travel and subsidiary expenses, work placement programmes or implementing an apprenticeship programme.

Support with apprenticeship costs

The government has introduced 'co-investment', which is available for non-levy employers that don't pay the levy, but co-investment is also available for those that do pay the levy but want to spend more than is available in their levy account in any single month. The purpose of the co-investment is for the employer and government to share the cost of apprenticeship training; the intention being that if an employer makes a cash contribution it will increase their engagement and in time increase apprenticeship training.

The co-investment rate has changed for new apprenticeships starting on or after 1 April 2019, meaning that the employer will now pay 5% towards the cost of the apprenticeship training, whilst the government will pay the outstanding sum of 95%. All apprenticeships that commenced before 1 April 2019 will remain at the previous co-investment rate

of 10% with the government paying 90%. The employer contribution is paid directly to the training provider.

Levy management

There are some levy paying employers that are not able to spend all the funds in their account. Conscious of this, the government will now allow employers to transfer up to 25% of the annual value of funds entering the account to other employers. These funds can be transferred to any employer, including smaller employers in their supply chain, and to apprenticeship training agencies (ATAs), to support new opportunities and widen participation in apprenticeships. Employers that have unused funds can find employers that want to receive a transfer in a number of ways:

- contact employers in their supply chain
- employers that work in their industry
- use an apprenticeship training agency
- work with regional or local partners.

The transfer of funds will be used to pay for the training and assessment cost of the apprenticeships agreed with the receiving employer. Both parties will need to agree the details of the transfer of funds such as how many apprentices, cost and which apprenticeship standard to use. Both will need to agree on a suitable payment plan and the provider must prove that the contributions have been paid as a requirement of the government paying its contributions.

When an employer has agreed a transfer to fund an apprenticeship, they are committing to fund the apprenticeship until it ends. They must ensure that they will have enough transfer allowance to cover the costs over the period of the apprenticeship. Once the apprenticeship has been approved on the apprenticeship service, they will not be able to stop the payments. Transfer payments will be deducted from their levy account first before their own apprenticeships.

Employers receiving the funds need to be aware and understand the implications that this transfer may have under state aid rules. A percentage of all funds received as a transfer may be considered as state aid and this represents the amount of

co-investment they would have had to pay towards the apprenticeship if they had not received transferred funds.

Funds expiring

To prevent levy paying employers from accruing large balances in their service accounts, all unused funds from April 2019 onwards will begin to expire 24 months after they appeared in their account. So, where funds appeared in accounts in May 2017 all unused funds will expire in May 2019, and this will continue each month where the oldest unused funds in the account will expire if over 24 months old.

Funding bands

Employers need to choose the training that they would like their apprentice to receive throughout their apprenticeship. Currently there are two separate types of apprenticeship schemes to choose from and both are funded in the same way:

● **Apprenticeships standards** – each apprenticeship standard covers a specific occupation and sets out the core skills, knowledge and behaviours that an apprentice will need. These apprenticeships are also known as 'Trailblazers', developed by employer groups.

● **Apprenticeships frameworks** – a series of work-related vocational and professional qualifications within the workplace which are mainly classroom-based training.

At present there are thirty funding bands with the upper limit of these bands ranging from £1,500 to £27,000. Employers are expected to agree a price for their apprentice's training and assessment knowing that the funding band sets the maximum amount that the government will contribute towards.

The upper limit of each of the funding bands is the maximum that an employer that pays the levy can use towards an individual apprenticeship from their account. If they go above this amount the levy paying employer will need to meet the costs themselves. For non-levy paying employers the upper limit band is the maximum amount that government will co-invest towards.

See the CIPP's website for more information on using the apprenticeship levy to fund the MSc in strategic leadership. ■

...the oldest unused funds in the account will expire if over 24 months old...

Diary of a student...



Lucy Foster MCIPPdip
*Payroll technician/HR
assistant, Carbolite Gero Ltd*

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

After leaving school with six GCSEs and enrolling on to a professional secretary course at the University of Derby Buxton, at age nineteen I was given the opportunity to learn payroll with Carbolite Gero. I was a payroll clerk responsible for processing the monthly payroll for 150 employees reporting to the HR and payroll officer who gave me frequent in-house training and lifelong learning opportunities.

As I developed in the role, I grew to enjoy calculating pay and the processes whilst facing quite a few challenges as I learnt more. I'd been working in payroll for six years when I discovered the CIPP. I wanted to extend my payroll skills and knowledge whilst gaining a formal qualification, so I did the Payroll Technician Certificate – and benefited immensely.

I enjoyed studying the subject in depth and subsequently felt confident in my role because I'd learnt to do manual calculations and had the skills to calculate a payslip manually from gross to net and not just have to rely on a system. I then progressed into the position of payroll technician/HR assistant.

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

I enrolled on to year two of the CIPP Foundation Degree in Payroll Management. I had lots of other duties in HR but I had a keen interest in payroll and enjoyed this part the most.

By this time, we'd been through two payroll software changes and I'd gained valuable experience working on these

projects, so I was excited to be studying for a degree in payroll management with the support of my employer.

I chose the course because I wanted to further my payroll knowledge and have a qualification to go with my experience. I was also interested in learning more about the operational and management side of payroll.

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

Yes, it did. There is much complex legislation in payroll which I learnt more about as the course progressed, and there is no other leading body that can teach it. Being a member of the CIPP ensures you stay up to date and compliant.

The modules and assignments are all work based so you can apply learning to the work place and think about how to improve processes and be more efficient in your role.

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

It's very important as I now have an industry-recognised qualification which has given me the confidence to be able to progress into a senior role. Being CIPP qualified gives me the ability to apply my newly acquired skills to my current role and future opportunities as my career progresses.

How do you cope with work-life balance and study?

I'm not going to lie, studying whilst having a full-time job and trying to fit in a

social life is not easy. Getting up at early on Saturday mornings to attend distant module review days and tutorials took sheer determination.

Having the support of my family helped me to keep pushing myself and not to give up.

Once an assignment was complete, I would always do something nice and give myself a bit of relax time before starting the next module.

With module one completed of your course, how do you think you did and was it what you expected?

I had to get into academic writing and using Harvard referencing which I quickly did. I was determined to succeed and committed to the course, so I put in a lot of wider research and that reflected in my grades as they got higher each module.

The course was much more than I expected. Not only do you learn about some of the more technical aspects, it makes you look at payroll strategically and think about the importance it has in the business and its link to other functions such as HR and finance. I would love to go on to do the higher level, BA (hons) and learn more.

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

If you want to further your career in payroll, the Foundation Degree is invaluable. You have got to be prepared to put the work in but what you get out of it is extremely rewarding and if you plan your time well then you can still fit in a social life.

There are times when it gets tough and it can be stressful but you just need to keep thinking of that goal that you are aiming for at the end of it, that all the hard work and effort will be worth it when you graduate with letters after your name. ■

No one puts payroll in the corner

Anju Puri, senior manager/head of payroll, employer solutions/tax at Grant Thornton UK LLP, reveals why and how payroll is transformative



So, did you want to become a payroll manager when you grew up? Like many of you, I 'fell' into payroll over 25 years ago. When I started out it was just a job but, over the years, it has developed into a very successful career path, providing incredible learning and development opportunities along the way.

Before I joined Grant Thornton in 1999, I was a jack-of-all-trades working on in-house payroll, value added tax, purchase ledger and credit control. It was great being known by everyone in the company and I enjoyed being a part of an enabling function within the business, earning the respect of my colleagues. I used to prepare a weekly payroll for 500 employees, and it was always funny when I was stopped on a stairwell, in the canteen or even in the high street, by factory workers telling me that they had worked overtime or been on holiday that week.

I chose to specialise in payroll because every day was different and the responsibility to ensure employees were paid accurately and on time motivated me. I was always good with numbers and enjoyed how the application of the layers of company payroll rules and legislation meant I would always be challenged. An additional challenge was that in an in-house environment payroll seemed to be overshadowed by the finance and human resources (HR) teams and internally people thought that all we did was press a button... Moving to an outsourced payroll environment, I quickly realised that payroll was also the underdog in practice where tax and audit were the big hitters.

So, how have I managed to change

people's perception of payroll within Grant Thornton? The main stages included first sending out a strong message internally and to clients that I was a qualified payroll professional doing payroll. Then, I wanted to reduce risk internally by moving the payroll work away from the accountants and tax advisors. Once I had a service line in my own right it was all about building a team with a passion for payroll. In the early years our work was solely focussed on managed outsourced payroll; however, over time I realised that it was a great door opener for other service lines because it can quickly win the trust of a new client because it must be delivered accurately and on time. Payroll needs regular communication with clients, ultimately building strong relationships.

...regular communication with clients, ultimately building strong relationships

This provides a valuable benefit to both the client and Grant Thornton because as and when our clients need any other services, they know that we understand their business, we understand their requirements and we are ready to assist. This gives my clients access to a multitude of services and solutions under one roof that are bespoke to their needs.

A period of rapid growth had begun. I had a growing, reliable and passionate team behind me, and internally across

my networks the word was spreading, leading to referrals of new outsourced payroll work. But the story doesn't end there because the catalyst to take payroll to the next stage of visibility was three-fold. Real time information, pension auto-enrolment and the General Data Protection Regulation have all played their part in showcasing how adaptable payroll teams can be to major changes in legislation, risk management and automating processes. They have also resulted in new types of payroll related work being needed such as payroll fraud investigations, payroll health checks, payroll transition project management and 'IR35' payrolls.

The journey has been slow but successful. Initially, outsourced payroll used to be a 'freebie' or low-fee service offered by Grant Thornton when bidding for new audit, tax and accounting work. Payrolls were historically prepared by the accounting or tax teams and was a reactive low-fee generator aimed at keeping client loyalty. Not anymore! Outsourced payroll is a profitable service line and the best hook to cross-sell other services to clients.

With regulation and data protection at the forefront in today's business world, isn't it funny how suddenly everyone appreciates the purpose of payroll and what an integral role it plays within every business? And in my opinion, the days of payroll teams being uncredited and unrecognised within businesses are over.

I've loved every moment, risen to every challenge and enjoyed every success in my journey. Unfortunately, no Patrick Swayze to owe it all to, but without doubt I've had the time of my life. ■

Tutor training event 2019

The annual tutor training event marks the end of the traditional academic year and is the opportunity for CIPP tutors to network with colleagues, grow and update knowledge, and celebrate the successes of the year

This year's event, which was held in early July, took on a slightly different format; informed by a panel of fellow tutors who provided suggestions and feedback on previous events. The programme included over eight engaging and informative workshops that tutors could select to attend. These included an induction for new tutors and a session on improving tutoring skills for more established tutors, held by our very own established tutors Clare Warrington and Pete Statham.

The CIPP extends our sincere gratitude to our guest speakers who kindly gave up their time to support the event, including: Pam Hadfield from the University of Derby who presented on the psychology of learning; Dr Julie Holland from Loughborough University providing an insight into the new MSc in Strategic Leadership offered by the CIPP; Judy Kay from the Heart of Worcester College who talked about different styles of development in online learning; and Saima Majid who gave an insightful and

personal talk on how mental health issues can affect students.

By popular demand, workshops from internal speakers included: a payroll legislation update from Helen Hargreaves, associate director of policy; and a web expenses surgery and tutorial by Dawn Parry, finance manager, and Joanne Leather, finance coordinator. Mike Aldous, education support and development specialist, hosted sessions on inductions, exam marking techniques and a performance update. Ben Carter, newly appointed education manager, also gave a participative session on influencing student motivation.

Jason Davenport, chair of the CIPP Board opened the event and presented awards to conclude the day's programme. This year's long service award presentations included tutors who had achieved twenty years' service:

- Alison Ward
- Sonia Grant

Tutors who have achieved ten years' service as a CIPP tutor include:

- Brian Comber
- Tricia Brogan
- Michele Bennett
- Mike Hollingsworth

The Tutor Impact Award was presented to tutors who studied the level six certificate in professional development, supporting work based learning (SWBL) programme, and had made a positive impact on a learner's journey. Successful completion of the SWBL programme means that individuals can apply to the Higher Education Academy (HEA) and receive associate fellow accreditation, with a very nice certificate to prove it! As associate fellows they can use the 'AFHEA' designation and are members of the HEA which has standing within higher education.

Julie Scott was awarded the Tutor Impact Award for 2019, and Clare Warrington was highly commended.

Mike Aldous also received a memento from the CIPP to mark his retirement from the position of education support and development specialist at the end





of July. Mike has contributed to the CIPP for over twelve years and we hope he will continue to support the CIPP with his tutoring skills into his retirement.

Congratulations go to all our award winners this year!

After a successful day of learning and networking, the evening was time for celebration. Ken Pullar, CIPP chief

executive officer, hosted the dinner. The evening entertainment was Bandeoke – a specialist show by a live band of musician ‘singers’ who were also adorning the dance floor.

A special acknowledgement goes to the events operational team who, in the words of Stacey Graham, associate

director of events and administration, ran it like a dream, managing changes on the day professionally, quickly and with minimal disruption to the attendees. Thank you to: Stacey Graham, Lynne Rocks, Sarah Jones, Megan Dudley, Chloe Townley, Vicky Hilton, Brad Carpenter, Kobir Ahmed, and Junelle Salmon. ■



CPD – frequently asked questions

Continuing professional development (CPD) is a combination of approaches, ideas and techniques and is invaluable in helping all professionals manage their own learning and development. This is especially true for those working in payroll, pensions and reward where keeping up to date with the continuous changes in the industry is essential.

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

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

Who needs to complete CPD?

Firstly, if you are an associate, full or fellow member with the CIPP then you

are expected to log at least one CPD activity per subscription year but there is no minimum points total.

Chartered members however are required to achieve at least 40 CPD points each subscription year to be able to renew again at the Chartered level.

What counts towards my CPD?

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

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

Why is CPD important?

CPD is demonstrating that you have maintained and developed your

knowledge and skill set and you demonstrate this by setting learning objectives and development goals, whatever stage of your career you are at.

CPD is an important aspect of your career as it demonstrates to yourself and your organisation that you are developing as an individual and as an employee, to improve and learn. Logging your CPD will help you keep track of the learning and development that you complete, as well as planning for the future based on you, your team and your organisation’s goals and strategies. ■

For more frequently asked questions or to find out how to log your CPD, head over to our website at www.cipp.org.uk and log into ‘My CIPP’.

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



Payroll news

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Changes to RTI reporting

SEVERAL CHANGES to the data reporting requirements under real time information (RTI) as summarised below will operate from the start of tax year 2020–21. Further information about the changes can be found here: <http://bit.ly/2KMut2b>

- **Employment allowance** – In addition to existing information, the employer payment summary (EPS) will be used to report the amount of de minimis state aid received (in Euros), the relevant industry sector(s), or that state aid does not apply. Existing EA claims will not be rolled forward from the previous year, so claims must be made annually. A new GNS message will advise the employer when a claim is rejected. Software will need to continue to support the existing process for claims relating to tax years up to 2019–20 along with a new process for 2020–21.
- **Class 1A NICs** – A new data item in the full payment submission (FPS) return will enable employers to report class 1A National Insurance contributions (NICs) year-to-date.
- **Off-payroll working** – A new data item in the FPS return will enable deemed employers for off-payroll engagements to report payments made through RTI to off-payroll workers. The marker can then be used by HM Revenue and Customs (HMRC): to analyse pay as you earn data to assess the success of the off-payroll reforms and the growth of the personal service company industry; and to inhibit automatic notifications for student loans starter notices.
- **Statutory parental bereavement pay** – A new data item will be added to the FPS return, and two new data items to the EPS return, thereby following the same administration process as other statutory payments such as paternity pay.
- **Short term business visitors (Appendix 8)** – HMRC are proposing to relax the existing deadline of 19 April for reporting in a month-12 FPS the annual tax liability for such individuals. A new reporting and payment deadline of 31 May will apply.
- **Company cars** – Two new data items will be added the FPS return to enable employers to report for payroll company cars: zero emissions mileage; and the date first registered. A new data item will be added to enable employers to report zero emissions mileage in the P46(Car) return.

Council tax debt pilot

A TWELVE-MONTH pilot scheme is underway across England which involves HMRC supplying on request certain limited data to the 29 participating local authorities to aid their recovery of unpaid council tax directly from debtors' earnings. The pilot only affects council tax debtors for 2018–19 or earlier years where the local authority has obtained a liability order from a Magistrates Court.

The data sharing is permitted under the Digital Economy Act 2017 for the purpose of managing and reducing debt.

On receipt of the requested information from HMRC, the local authority may decide to issue a council tax attachment of earnings order to the debtor's employer.

If the pilot is considered to have been successful, it is probable that data sharing will be extended to all England and Welsh local authorities in due course.

Diary dates

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

CONTRACT



The devil in the details

Ian Whyteside MCIPP FMAAT ATT, CIPP board director, discusses payment on demand



This year has brought a flurry of questions about the traditional payroll process. This time the issue is about paying employees more frequently than we may have ever considered in the past. Is 'payment on demand' a push for necessary change or an annoying fad?

Monthly payroll dominates our world covering the vast majority of UK employees, but anecdotal evidence suggests around six million employees are paid weekly. Generally, these are the longest and shortest frequencies in use.

Payment on demand is based on the view that employees should not have to wait to be paid for the work they have performed. Since monthly pay at or towards the end of the calendar month dominates, it means employees are often being paid four weeks in arrears and a couple of days, if anything, in advance. It is easy to sympathise with the view that such an arrangement is unreasonable and bears heavily on many employees.

Some of the comments favouring change suggest that the move to less frequent payment is actually driven by banking and corporate greed. Though this notion may have been true of certain businesses it is difficult to accept that every change in pay frequency was

driven in such a way. There is no doubt that less frequent payroll processing is administratively efficient and cost effective – more so if the payroll is outsourced to a commercial provider. The recent growth in cash payments is largely driven by increases in handling charges imposed by the banks.

...some have suggested it is required as an aid to personal finance

A second argument for more frequent and on demand payment is that employees should, and sometimes need, greater control not only over the amount they are paid but also how frequently. As an aside to this, some have suggested it is required as an aid to personal finance.

It is argued that more frequent payment is needed to allow for proper and more effective personal budgeting. Is this a genuine shift in personal spending, or a means to market a payroll system's ability to generate payment on demand?

There has always been people who live with tight finances, but this century has

brought to us a much greater demand for employers to take more notice of employee financial wellbeing. This has led to some employers introducing financial planning programmes and sometimes financial assistance where an employee requires it.

However, Julie Lock pointed out in her article *Flexible paydays*, (see *Professional in Payroll, Pensions & Reward*, April 2019), only 12% of employers offer their staff formal, face-to-face, financial advice. This is unlikely to change much – and small businesses tend not to do any of this.

Whilst recognising that statistics show levels of short-term debt are now greater than at any time, this still does not show clearly that making payroll payments more frequently is the answer. For many it will provide short-term relief, there is no doubt; but surely a question mark hangs over it being 'the answer'.

The desire for more frequent payment to help people with their finances is the complete opposite to the 1980s. During this period employees faced a revolution in financial transactions with banks and building societies, landlords, councils and others moving to monthly payments processing. Many payroll teams, like my own, found that weekly paid staff were

being put in an impossible position by the changes, many of whom were unable to retain their wages long enough to be able to pay their monthly rent or fund mortgage repayments. Moving their wages to monthly and hence matching the frequency of their major outgoings saved many employees from serious financial difficulty and was generally welcomed.

Three options present themselves for scrutiny: firstly, the ready availability of advances; secondly, the provision of advances via a third party; and, finally, a complete transition to employee-controlled payroll frequencies.

● **Employer advances** – These are already available to employees and tend to be used for new staff to cover exceptionally long periods between their last payment by the previous employer and the first available payment from the new one. Payroll will also use advances to deal with underpayments created by some form of employer error or omission.

Some employers already make such advances available to staff, even to the extent that it is 'self-advanced' rather than having to be applied for.

In this option, the monthly pay run remains unchanged and the payroll team simply recovers the aggregate value of the advances since the last pay day. Our tax and rigid National Insurance contributions (NICs) regime continues to follow the standard pay frequency, which all works as long as the employer's cash-flow can meet such unpredictable payment patterns.

● **Third-party advances** – This option uses a third-party provider for the cash, and could even be the payroll provider. There is also cash-card technology which, though it has been around for some time and showing its age, persists.

Once again, payroll sticks to the monthly processing run, calculates the income tax and NICs and recovers the aggregate value of the advances made, preferably using a digital feed straight into the payroll.

● **Employee-controlled pay frequencies** – This is the revolutionary option, ditching the pay frequency completely and allowing employees to determine how often they are paid by giving them full control over the processing.

The technology exists for employees to choose the frequency that suits their needs which could be as much as every

day. And why not? They worked the day, so why shouldn't they have their net wages in their bank by the time they get home?

The payroll would have to treat each payment as a formal payment, which would mean a detailed apportionment of the income tax personal allowances and determining the length of the earnings period for NICs. The employer would have to account for each individual run with a full payment submission (FPS).

...why shouldn't they have their net wages in their bank by the time they get home?

Issues

Having established that technology is not a barrier to payment on demand we still need to give some thought to it. Even though we can do something, it doesn't mean we should; and just because employees want it, doesn't mean they must have it.

Some writers have criticised the way employers have moved employees to monthly pay simply in order to save themselves a few quid, placing some employees in financial difficulty in the process. I have no problem with organisations reducing overheads – indeed, responsible business owners ought to be doing this continuously. Global competition means margins are tighter than ever and the consequences of simply bowing to employee demands and incurring additional costs could have more serious, long-term results.

Can employers move to more frequent payment, give control of payroll to employees, incur additional costs and possibly not make any difference to financial circumstances? The reality, however, is that moving to more frequent payment doesn't have to cost more if the technology is doing the work. Using payment processes completely outside of BACS and other expensive payment media means that one-off interim, or more frequent payments, isn't necessarily going to cost more.

Perhaps it is time for employers to reconsider their rigid schedules and

provide a more flexible arrangement, if this does not exacerbate someone's financial problems. There is no doubt that although more frequent payment will help some, it is likely to be problematic for those whose personal finances are largely monthly based.

There are other things to consider, too. Accurate apportionment of tax and NICs earnings periods is needed. If the employee's tax code basis is cumulative, income tax under pay as you earn (PAYE) will generally sort itself out; but class 1 NICs with its completely outdated and rigid method of processing will have inconsistencies, mainly around rounding, to consider. Using an interim arrangement, such as making advances more readily available, will overcome issues but is not without risk.

Employer-provided advances are not considered to be wages for the purposes of PAYE real time information, as long as the intention, and the reality, is to make a sum available and then recover it during a normal pay run. HM Revenue & Customs (HMRC) allow this, informally, to be treated as a short-term interest free loan repaid on pay day.

As a consequence, as long as they observe the rules, employers do not need to send a FPS each time a payment is made. One of the rules, however, is the frequency and regularity of such advances because in some circumstances this could create a new pay day and hence necessitate the sending of additional returns.

Whilst some employees will avail themselves of an advance-on-demand facility on an intermittent basis, others will create a new pay day frequency by choosing to extract their pay on a weekly or fortnightly basis instead of monthly. I suspect only a few will go for a truly random extraction schedule. Will the employer be able to detect a frequency pattern which then requires FPS returns, or might they get a shock when HMRC detects it instead?

The use of third-party funds might be thought as the answer as it removes the need for the employer to worry about FPS returns, but would it? There is still a risk that regularity of cash advances creates a new pay day and pay frequency, if for example the employee takes an advance, say, every Friday.

Another consideration is the cost of

such third-party facility. Take, for example, the Wagestream system, which is understood features two charges: £1 per worker for the employer and £1.75 per transaction, paid presumably by the employee, every time they draw funds.

Employers need to be careful about this because section 15 of the Employment Rights Act 1996 contains specific protections against the employer receiving any payment from an employee for the benefit of the employer. Under sections 13 and 14 of this Act, employees must not suffer any cost in the process of obtaining their wages, nor can they suffer any deduction which has not been subject to their written authority. As these advances are effectively loans, the charge must very clearly and unambiguously be in relation to the obtaining of the credit and not for obtaining their wages, otherwise it could be seen to be a charge on their wages.

It is also critically important to ensure the appropriate authority to make the deduction. Payroll professionals know that they need to obtain both a receipt for the advance and a clear and unambiguous

authority to deduct the advance from the next wages payment due.

Problems can arise where third parties put the authority for deduction from wages in their own documentation. Getting the wording right is important. It is payroll that makes the deduction or adjustment, and therefore in the 'firing line' if any complaint of unlawful deduction is made. Accordingly, payroll must surely have the final say in the wording used by a third party.

...for employers to determine whether they wish to change payroll frequency

Summary

This article is not designed to provide any definitive answers to this interesting and challenging development. It is for employers to determine whether they wish to change payroll frequency.

If there is a financial wellbeing issue within the organisation it is best served by more frequent wages payment? It may not be the right answer in every case. A financial wellbeing issue is best served by an employer, in discussion with experts, examining the cause of an employee's financial issues and to assist in implementing a solution that will actually work.

Whether it would be right to completely change payment frequencies simply because people are demanding it, for no other reason than because they want it, is not necessarily a way forward. ■



Employment status and modern employment practices

One day

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

This course covers:

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

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Is outsourcing your payroll department the right action for you?

Jason Davenport MCIPP MIOD, CIPP chair, discusses the fundamental issues and provides ideas and guidance



In the first of a series of three articles, I would like to impart lessons learnt for consideration of whether outsourcing is the right strategy for your business. The second article will focus on the relationship to be managed and recognising what you need to have in place to support that; and the third article looks at how best to bring your payroll back in-house should you need to.

Firstly – what sort of an organisation are you? Do you recognise that you already outsource many services? This is often applied to allow the business to focus on its core service offerings, or to ensure that functions of expertise are handled by professionals in that field. You may already have a team working to manage those relationships, and ensuring daily delivery is maintained to a high standard of service. What lessons can be drawn from those who manage these service contracts? I imagine very regular contact, working almost hand in glove and being responsible for client-side delivery are very high on the agenda to create best practice success.

Secondly, as a business what are your values? If you are in the public sector, then the citizen's agenda and spending tax-payers money wisely are high on your radar. Not for profit and charitable status also have a similar driver for prudence and even privately-owned businesses and PLCs whilst recognising the language of profit still want value for money from any partnership they are procuring.

So, do the above values resonate with you and do you already outsource several services to ensure your business runs effectively?

Thirdly, ask yourself what are the

drivers for outsourcing this key element of your business? Are you looking for compliance and to reduce risk? Do you prefer this work handled by a fully qualified, trained team? I would hope that it is not simply to reduce cost within the business model today; however, it may be to create capacity for other work within the teams that are normally responsible for delivery. It may be one or more of the above or a consideration of other factors that are driving a strategic review of how best to serve your business and its employees.

...ensure you are considering the right steps to be 'fit' for outsourcing...

Fourth, in considering outsourcing, have you determined what size team you would need to handle the outsource arrangement and ensure it is managed and client requirements are fully articulated to the outsourcer? This is often an area overlooked. I will go into more detail of what is needed in relationship management in the article to follow, but it is worth considering whether all aspects of a department's role will sit with the outsourcer or if some elements will remain with yourselves. An example of this maybe the handling of company cars: if handled by the current team, and not be covered by the outsourcing arrangements, then provision needs to be made for this activity to be covered in the future.

Finally, how is success measured? Think about what level of starters and leavers you have today in terms of attrition. How many changes are made each month and how quickly do they need to be effected, especially if contractual and affecting pay for employees? A service is to be measured in several tactical ways: volumes of data handled and how timely and accurately they are completed create an efficient service.

Today's employee base and managers alike may also want choices in how they interact with the service. Not just traditional routes such as face to face, telephone and email; they may also be looking for other options such as chat facilities and instant messaging without the need for voice interaction. The level of customer service and channels available to you then move from efficient to effective in the delivery style. A part of measuring success is also about the first four components to this review and whether culture and values align which for larger businesses creates more synergy to work in partnership together to the benefit of both parties.

The above five considerations are only a start, but it is important to be thinking about all the above to ensure you are considering the right steps to be 'fit' for outsourcing and make the best of the relationship. To be successful, it is not about abdication but rather delegation. ■

The next article will look at the relationship requirements in more detail. If you do have any comments or considerations, please do contact me at the email address provided in the Chair's message.

Off-payroll working responsibility

Susan Ball, UK employment tax partner, and Lee Knight, employer solutions director, at RSM, discuss who should drive procedural changes



In July 2019, the government published draft legislation which introduces new off-payroll working rules to the private sector and also amends the way the existing off-payroll working rules will apply in the public sector.

But who should take responsibility within organisations to drive the procedural changes necessary to prepare for these rules? In many cases it is likely to require a team effort.

The new rules will need to be considered from 6 April 2020 whenever a worker provides services to another party (i.e. an 'end-user') through their own intermediary (normally a personal service company). This will be the case even where other parties sit between the end-user and the worker's intermediary in the labour supply chain. The effect of these rules will mean that:

- end-users in the private sector will need to annually consider complex rules to identify whether they are 'medium' or 'large', and
- medium- and large-sized end-users in the private sector, and public sector end-users, will need to establish whether the worker is personally providing services. Where they are, they will then need to:

- take reasonable care to identify whether the worker is a deemed employee by undertaking a well-informed status determination

- pass that status determination and the reasons for reaching it to the worker and down the labour supply chain, and

- introduce and operate a statutory and time sensitive process for dealing with disputes (for example, where a worker challenges the status determination made by the end-user).

End-users and other parties in the labour supply chain could be exposed to unexpected liabilities if they do not satisfy their obligations under the new rules. Furthermore, the inclusion of controversial transfer of liability provisions also mean that end-users (and certain other parties) will need to ensure the compliance of parties

further down the labour supply and take steps to protect themselves from unexpected liabilities when they are not.

...input and support of a multi-disciplinary team drawing on individuals across different departments...

Who should take responsibility for complying with the new rules will very much depend on the size of an organisation, how it is departmentalised, and where the organisation sits in the labour supply chain.

Let's take the example of ABC Limited, a successful business operating in the financial services sector which engages the services of many workers via their own limited companies, sometimes under a contract directly between ABC Limited and the worker's limited company, and sometimes under a contract directly between ABC Limited and an agency. ABC Limited is an end user and as such its preparations for the new rules might include (but not be limited to) the following.

- Identifying whether it is a medium- or large-sized business by reference to its turnover, balance sheet total, and average number of employees. If it is a subsidiary or part of a group, similar considerations will need to be given to the size of its parent company and/or the group it is part of.

- Establishing the number of current workers personally providing services through their own intermediaries (whether directly or via an agency), determining how it plans to correctly assess those workers' status, and who is best placed to do so.

- Assessing the likely cost increases due to the employer's National Insurance contributions (NICs) and apprenticeship

levy charges arising, and potential increases in workers' rates, where current and new workers would be deemed to be employees.

- Preparing to safeguard the business from risk by understanding and undertaking due diligence on its labour supply chain where such workers are sourced through an agency.

- Designing new processes and controls which will help to ensure compliance with the new rules (which could include procurement, payroll, human resources (HR), finance, and data management processes). New IT solutions may also be needed.

- Training employees who will be responsible for operating those new processes and controls in the future.

- Communicating changes to the off-payroll workers to support them in understanding the rules and the implications.

What this demonstrates is that the preparations required to be compliant with the new rules are wide-ranging and are likely to require the input and support of a multi-disciplinary team drawing on individuals across different departments (for example, from HR, payroll, finance and legal teams).

Given the potential size of the task in many cases it will be appropriate to form a working party of key personnel from various departments to discuss the new rules and develop an action plan which will help drive forward the procedural changes necessary to be compliant.

Organisations should, however, ask themselves if they have the appropriate internal resources and expertise to implement the changes required and to seek specialist help and advice where it is appropriate to do so. This is particularly the case in respect of the making of status decisions which require a thorough understanding of the underlying working arrangements and of the tax rules for determining status.

A proactive approach is certainly recommended – organisations should not underestimate the potential challenges ahead. ■


 REFORM

Off-payroll working rules

Samantha Mann MAAT MCIPPDip, CIPP senior policy and research officer, outlines the changes



Legislation came into force in April 2000 that sought to collect pay as you earn (PAYE) income tax and class 1 National Insurance contributions (NICs) from fees paid to individuals who were providing personal services to a client but working through an intermediary. An intermediary can take different forms – for example, a partnership, an individual or a managed service company – but the most popular choice is a personal service company (PSC) which has a separate legal identity to the individual. Instead of payments going directly from the client to the worker, they are instead paid to the PSC – or other intermediary.

From 6 April 2000, an obligation was placed on the PSC to decide whether the contract between the individual and the client would have been one of employment had the intermediary not existed and, if so, calculate an amount of PAYE income tax and class 1 NICs on the payment, as if the payment had been salary. Referred to as 'IR35' – which was the press release reference at the time – it is safe to say it has not been a popular, nor widely understood policy.

On the back of claims by HM Revenue & Customs (HMRC) that there was widespread non-compliance, and subsequent to consultation, off-payroll working rules were introduced for the public sector. These rules transferred the responsibility for assessing and determining whether the contract would – but for the intermediary – be one of

employment, to the public sector engager i.e. the client. If the client also happened to be the direct fee-payer, it became responsible for calculating PAYE income tax together with class 1 NICs (primary and secondary). Where the fee-payer was separate from the engager (i.e. an agency) the client became responsible for ensuring that the status determination made was provided to the fee-payer.

HMRC received much criticism for the short notice given to enable the public sector to prepare for off-payroll working rules.

...HMRC received much criticism for the short notice given to enable the public sector to prepare...

It was announced in Budget 2018 that, as expected, off-payroll working would be extended to the private sector from April 2020. Key features from this announcement include:

- small engagers would be excluded
- the status tool CEST (see below) was to be reviewed
- further consultation would be carried out
- guidance would be improved, and
- the 'private sector' could be defined as any sector not previously captured by the

public sector reforms of 2017.

The off-payroll reforms are not intended to impact the genuinely self-employed.

CEST

Following recommendations made by the Office of Tax Simplification and in support of the off-payroll working rules being delivered to the public sector, a new online service was designed to replace the former employment status indicator (ESI) tool to support the client, the fee-payer and the worker in making a status determination for the purpose of tax (as opposed to employment rights).

Unlike the ESI tool, the check employment status for tax (CEST) service provides a print-out of the outcome. HMRC has stated it will stand by the result given unless a compliance check finds the information provided is inaccurate.

The CEST service continues to receive much criticism and has been ruled against in a small number of first-tier tax tribunal cases.

Before using CEST, HMRC makes clear that you will need to know: the worker's responsibilities; who decides what work needs doing; who decides when, where and how the work's done; how the worker will be paid; whether the engagement includes any benefits or reimbursement for expense.

Reforms

In response to the outcomes of an initial consultation in 2018 a further consultation

ran closing in May 2019. The outcome, published in July, confirms reforms to the current off-payroll working rules.

Off-payroll working rules will apply to all private and third sector engagers with the exception of those defined as 'small' by provisions in the Companies Act 2006. For this purpose, three qualifying conditions must be met:

- annual turnover must not be more than £10,200,000
- balance sheet total must not be more than £5,100,000
- number of employees must not be more than fifty.

Note that the amendments to off-payroll working rules will also impact the public sector but with the exception that no public sector engager will be considered small.

A small company will cease to be 'small' if it fails to meet the conditions for two consecutive years. The same measure is used conversely if a company shrinks in size.

Unincorporated clients, however, will not benefit from this two-year provision; they will only have one condition to meet, which is that their turnover exceeds £10,200,000. The rules will begin to apply in the tax year following the calendar year in which the threshold is exceeded. Depending upon when its financial year ends, a small organisation approaching or predicting that its turnover will exceed £10,200,000 will need to be prepared to adapt processes to meet additional obligations.

An engaging client that is small will not be mandated to notify the supply chain or the worker that they are 'small' and therefore not within the reforms. Procedures will need to be strengthened to ensure the agency and the worker can establish this information through their usual 'getting to know your client' processes.

Flow of information

The client is responsible for passing the determination, together with the reasons for making that determination, to the fee-payer (where they are not one and the same) and also directly to the worker. The aim is to improve transparency for the fee-payer as well as the worker.

Responses to the latest consultation suggested that, in general, supply chains are short and consist of an average of four

parties which includes the engaging client and the worker's PSC. In a supply chain the client would only be responsible for passing the status determination to the party that they contract with, in addition to the worker.

Non-compliance in supply chains

The reforms require the client to make the status determination to establish whether the worker falls within scope (i.e. would they be an employee if they were not working through an intermediary). However, once made, it is for the fee-payer to calculate PAYE income tax deductions and class 1 primary and secondary NICs where the worker is 'deemed' to be an employee.

Quite often the engager and the fee-payer are the same; however, where they are not, and where there is a lengthy supply chain, there is an increased risk that the failure to comply will occur either because one party in the chain fails to pass on the status determination or fails to act on it resulting in an unpaid tax liability.

HMRC believes that the client and the first agency are in the best position to improve compliance in the labour supply chain. Where failure to comply occurs by the fee-payer in a supply chain, in the first instance HMRC will take steps to collect the unpaid liability from the non-compliant entity. Where this is not possible HMRC will look initially to the first agency in the supply chain and then to the engaging client.

...engagers are already required to take reasonable care in making their decisions...

Disagreement process

HMRC consulted on the proposal of mandating a client-led status disagreement process where both the worker and the fee-payer would have the right to request and receive a response if they believe the status determination to be incorrect. The client will have 45 days in which to respond starting from the date the request is lodged.

Legislation aims to set minimum requirements of the process, the objective

being to ensure the same process will be followed by all clients. HMRC aims to set out in guidance how a client can fulfil their obligations to take reasonable care and how best to implement the status disagreement process.

In addition to CEST, HMRC also provide a specialist helpline when considering status and engagers are already required to take reasonable care in making their decisions.

A long summer ahead?

HMRC received significant criticism for the short notice it provided to public sector engagers to enable them to prepare for the 2017 reforms and it would appear that little has been learned as we hurtle towards April 2020. It is disappointing that HMRC couldn't allow a more reasonable period of time before obligations in the private sector are to begin.

Draft clauses to the Finance Bill were published for technical consultation on 11 July with the assurance of guidance being made available by the end of summer – a season that we know government can extend as far as October. I hope that as you are reading this article news will also be published through our daily *News Online* that guidance is now up to date – or at least more usefully up to date than the version we currently have access to.

From a payroll processing perspective, it would be good to see within the real time information data items list the provision of a flag so as to ensure that 'deemed employees' captured by off-payroll working are not counted as employees by HMRC.

HMRC guidance

Early guidance by HMRC prompts engagers to prepare now, and advises the following:

- Know your current workforce – do you have individuals supplying services via intermediaries?
- Determine if the off-payroll rules apply for any contracts that will extend beyond April 2020. CEST can be used but so can external professional services – consider which might be better for your set up.
- Open communication lines with your contractors to establish whether the off-payroll rules apply to their role.
- Establish processes to ensure you capture whether off-payroll rules apply to future engagements starting with who will make the determinations and what information will they need. ■

2020

2019



Timelines and guidelines



Liz Lay MSc FCIPPDip FHEA ACIPD, CIPP board director and tutor, provides a useful summary of some recent and impending changes that will affect you and your employer

Working in the world of payroll there are always changes which can be both expected and unexpected that payroll professionals will continue to face. It feels, however, that changes over recent, current and forthcoming tax years are numerous – and that it can be a struggle within our busy processing schedule to try and remember them all.

This article is aimed at highlighting some of the main areas of change and related key points as a reminder for easy reference in one place.

The given yearly changes for tax, National Insurance contributions (NICs) and national minimum wage (NMW) rates are not included.

Changes from case law are only included where they indicate significant change, and payrolling of benefits and optional payroll remuneration arrangements are also not covered.

The information below identifies the effective date, the source (e.g. legislation, court case name), the subject, and the scope/effect.

6 April 2018 — Income Tax (Earnings and Pensions) Act 2003 — Post-employment notice pay (PENP)

All payments in lieu of notice (PILONs) are now taxable and NICable. The PENP calculation ensures that even where an employer tries to hide the PILON payment in an ex-gratia payment it will still be subject to tax and NICs.

4 October 2018 — <http://bit.ly/334kgGE> — Childcare voucher scheme (CCV), directly contracted childcare scheme

The tax advantages available to new entrants to a CCV scheme or a directly contracted childcare scheme from the 4 October 2018 onwards have been removed. Parents can now apply for tax-free childcare (TFC) on-line which is outside the scope of employment. A parent will however have to tell their employer if they have signed up for TFC and are already receiving CCVs or directly provided childcare as they cannot receive both.

1 January 2019 — Companies (Miscellaneous Reporting) Regulations 2018 — Chief executive officer (CEO) pay gap reporting

Companies must start reporting their CEO pay ratio in 2020 (covering CEO and employee pay awarded in 2019). The new requirements apply to companies reporting on their financial year starting on or after 1 January 2019. The requirements apply to large UK listed companies with over 250 employees. The first statutory disclosures will make companies justify the pay for top managers, who must be reported even if they are not a director on the board of the company, accounting for how their salaries relate to wider employee pay. Companies are to disclose annually the ratio of their CEO's pay to the median, lower quartile and upper quartile pay of their UK employees.

13 February 2019 — The Social Security (Contributions) (Amendment) Regulations, SI 2019/85, Finance Act (No 2) 2017, Schedule 11 — Loan charge, disguised remuneration

Payments made to employees by third parties are to be reported in real time information returns. (HMRC will recover pay as you earn income tax from the employer.) SI 2019/85 ensures that amounts which are caught under the 'loan charge' legislation in Schedule 11, in the form of loans provided through third parties and which remained outstanding on 5 April 2019, create liability to class 1 NICs.

14 February 2019 — Mencap v Tomlinson Blake [2018] EWCA Civ 1641 — NMW

The case relates to social care workers on 'sleep-in shifts' where they provide overnight on-call support to patients but are expected to sleep through the majority of the shift, and whether the shift is working time for the NMW or whether a lower rate can be paid. Following the Court of Appeal ruling in favour of the charity the Supreme Court decided to hear the appeal which is unlikely to be before October 2019. Whilst any challenge is ongoing, employers must continue to comply with the law as it currently stands.

6 April 2019 — Pensions Act 2008, and the Employers' Duties (Implementation) (Amendment) Regulations 2016 — Automatic enrolment (AE) contributions

The total minimum contributions for AE schemes increased to 8% of employee's

...changes over recent, current and forthcoming tax years are numerous...

pay with effect from 6 April 2019. At least 3% must come from the employer with the employee making up the difference between the employer's contribution and the minimum 8% requirement.

6 April 2019 — The Wales Act 2014, The Devolved Income Tax Rates (Consequential Amendments) Order 2018 — Welsh income tax

Introduction of the Welsh rate of income tax which for the 2019/20 tax year remains the same rate as for the rest of the UK.

6 April 2019 — The Education (Postgraduate Master's Degree Loans) Regulations 2016 — Postgraduate loans

Introduction of postgraduate loans brought a new rate and threshold. An individual with either a plan 1 or 2 student loan and a postgraduate loan will repay both concurrently.

6 April 2019 — Finance Bill 2018-19 to amend Section 289A of the Income Tax (Earnings and Pensions) Act 2003 — Benchmark subsistence rates

Removes the requirement for employers to keep receipts and any other form of documentary evidence to check amounts spent by employees when using the HMRC benchmark scale rates to pay or reimburse their qualifying subsistence expenses.

The measure also enabled HMRC to bring the concessionary exemption for overseas scale rates into legislation.

No requirement for employers to keep receipts and any other form of documentary evidence to check amounts spent by employees when reimbursing expenses using the overseas scale rates. Employers will need to ensure that employees are undertaking qualifying travel on the occasions in respect of which a payment is made or reimbursed free of tax.

6 April 2019 — Autumn Budget 2018 — Apprenticeship levy

The transfer allowance increased to 25%. The percentage that non-levy-paying employers must contribute towards the cost of apprenticeship training decreased from 10% to 5%.

6 April 2020 — Draft Finance Bill legislation, which is expected to be published in summer 2019 — IR35 off-payrolling in the private sector

Individuals providing their services through an intermediary or employers contracting for services via an intermediary must be aware of the forthcoming changes.

Guidance can be found at: <http://bit.ly/2ZRih6X>. HMRC are advising employers to start preparing now for the changes which will impact large- and medium-size businesses.

...you will (as always) be considering the impact on your workplace...

6 April 2020 — The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018 — Written statement of main terms

It will become a day-one right at the latest for a worker increases to receive a statement of initial employment particulars.

6 April 2020 — Chief Constable of Northern Ireland v Agnew — Holiday pay reference period

The current twelve working weeks' pay reference period used to calculate the average holiday pay/entitlement for a worker increases to 52 working weeks over a maximum 104-week period. However, the outcome of this recent case could have repercussions for employers elsewhere in the UK. The Northern Ireland court ruled that the relevant 'reference period' was the number of days the worker had actually worked in the previous year.

6 April 2020 — Regulations will be made under National Insurance Contributions Act 2014 — Employment allowance (EA)

The EA is to be restricted to those organisations with a NICs bill below

£100,000 in the previous tax year. To claim the EA the employer must have space for the full amount (currently £3,000) within their relevant de minimis state aid threshold.

HMRC has published a technical consultation which closed on 20 August 2019. Regulations and guidance expected in October 2019.

The CIPP policy team will be publishing a survey to gather the views of payroll professionals and others with a vested interest, and also plan to hold a policy think-tank roundtable which will be open to full, fellow and chartered members – to express your interest please email policy@cipp.org.uk.

6 April 2020 — Legislation to be introduced — NICs on termination payments in excess of £30,000

At Budget 2018 it was confirmed that class 1A NICs (employer only) will be payable on any part of a termination award that is liable to income tax.

HMRC advice is that as employers already pay income tax on these payments the process for paying NICs will be broadly similar. What this means in practice is still to be confirmed.

April 2020 — Parental Bereavement (Leave and Pay) Act 2018 — Parental bereavement leave and pay

Employed parents and primary carers will be entitled to at least two weeks' statutory parental bereavement leave and pay from April 2020 where they suffer the loss of a child and meet the qualifying conditions. The Act will provide a day-one right for those who suffer the loss of a child under the age of 18 or where a stillbirth is suffered from 24 weeks of pregnancy. Full guidance is yet to be published. ■

It is highly likely that by the time you have read this article – along with any other new announcements there have been – you will (as always) be considering the impact on your workplace, what the risks are, what changes need to be made to ensure the organisation remains compliant, who you have to liaise with, and who you need to influence to ensure any required changes happen. Good luck.

Large employers frequently pay late

A SURVEY conducted on behalf of leading human resource (HR) and payroll provider MHR reveals that employees at some of the largest private sector organisations in the UK are regularly being paid incorrectly or late. The survey of HR and payroll managers in companies with 1,000 or more employees found that more than three-quarters (76%) of companies had admitted to failing to pay their employees correctly or on time on one or more occasions in the past year.

On average, respondents admitted that their employees had been paid incorrectly or late four times in the last twelve months, with:

- a quarter (27%) admitting errors or late payments had occurred one to three times in the past twelve months, and
- one in ten (12%) paying their employees incorrectly or late between seven and nine times with the worst offenders (8%) confessing to doing so over twelve times.

The challenge facing HR and payroll teams to deliver accurate and punctual payments is compounded by the fact that over half of large organisations still use spreadsheets (52%) as part of their payroll process, and over a third (34%) rely on paper timesheets. When asked why their organisations stuck with these methods which are open to errors and miscalculations, more than half of respondents using these methods said it was because it had always been done that way.

David Crewe, head of service operation for outsourced payroll at MHR, says: "The responses to the survey highlight that organisations are either blind to the problems their HR and payroll teams face, reluctant to change their way of working or simply don't have the time to undertake a digital transformation project to fix the problem."

The full results of the survey together with the implications of relying on outdated processes and the benefits organisations can achieve by undertaking a digital transformation of the payroll process are explored in *The inconvenient truth of large payroll* (<http://bit.ly/2XQr3Rj>).

Global people services launch

SD WORX, a leading provider of global payroll and HR services, has increased its stake in GlobePayroll from 40% to 50.01%, and is providing extra funding to accelerate international market expansion and product development.

Together, GlobePayroll and SD Worx Global Solutions are launching a new offering: Global People Services. This preconfigured solution will offer payroll staff an integrated administrative experience (Core HR) in fifteen European countries from January 2020, with other countries following in a second phase.

Jean-Luc Barbier, vice-president SD Worx Group and managing director SD Worx Global Solutions, commented: "The global leadership and experience of SD Worx, combined with GlobePayroll's disruptive HR and payroll software, ensures that we can continue to offer the best customer experience available in the market."

Jean-Baptiste de Charette, chief executive officer of GlobePayroll, said that "being able to provide an identical payroll administration module to international clients is a key differentiator.

"With the support of SD Worx, we can continue our fast growth path and international market roll-out."

Global payroll complexity

RECENTLY PUBLISHED by NGA Human Resources, *The 2019 Global Payroll Complexity Index* (<http://bit.ly/2GTQxqc>) compiles feedback of nearly 2,500 payroll professionals from around the world. The Index, which is published biennially in association with the Global Payroll Managers Institute, the American Payroll Association, the Canadian Payroll Association, and the Chartered Institute of Payroll Professionals, ranks the top forty countries in order of payroll complexity.

Key research findings include:

- the General Data Protection Regulation has prompted a global review of national and local data legislation
- rise in 'micro-legislation' – city, as well as regional and national rules
- India, Australia and UK leading adoption of robotics and analytics in payroll
- cloud payroll is on the rise at 34%, against 33% on-premise and 11% still manual
- rise in retro-calculations; 10% of companies in US, Asia and Eastern Europe now running weekly or daily payrolls.

Mike Eralie, chief operating officer at NGA Human Resources, commented that the Index "draws on the research we started in 2014. This gives us good insights into how the payroll process has evolved over five years.

"It also gives authority to say that as we move into the next decade, the need for clarity, compliance and intelligence in your payroll processes has never been greater."

Apprenticeship levy failure

A REPORT – *Addressing employer under-investment in training – the case for a broader training levy* – from the Chartered Institute of Personnel and Development, finds that the government made an empty promise when it said the apprenticeship levy would boost the amount of money employers spend on workplace training. The levy has meant employers have invested in fewer apprenticeships with starts falling from 509,400 in 2015/16 to 375,800 in 2017/18.

The CIPD is calling for the apprenticeship levy to be replaced with a broader training levy, for it to cover all employers with a headcount of fifty or more, doubling the amount raised to £5 billion. A portion of the training levy fund could create a regional skills fund to address skills challenges at a local level.

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Uncover the Benefits

More than just pay



Anthony Vollmer, managing director at Moorepay, explains why payroll must act as a strategic partner to shape the employee offer

As payroll professionals we all know payroll is now 'more than just pay', but 'more than just pay' isn't just a throwaway line: there is a recognition across employers of all sizes and types of workforce that the total employee offer must give employees more.

In our most recent research, we surveyed 2,000 UK employees and 550+ UK employers to understand attitudes to employee wellbeing. And the answer to the question of whether work is 'more than just pay' was very clear: 92 per cent of employers told us their employees expected more.

So, we are all on the same page here, and employers near universally agree with what we, the payroll professionals, intuitively think and know. But when you look further, at what 'more than just pay' really means to employers, you start to see that they recognise the business case behind the slogan too.

The true cost of offering more than just pay

Eight-in-ten employers who think employees want more than just pay told us they found it fairly or very challenging to recruit suitably qualified staff, and seven-in-ten felt the same about retaining staff. And this should come as no surprise.

There are parts of the UK where there are more jobs available than there are qualified staff to fill them (particularly around Oxford and Cambridge), and though this can vary by job role it's a truism that human resources (HR) people know well enough: right now, it's a seller's market, and it's very competitive.

Which is what makes retention so important – because not only is it difficult to recruit the right talent, it's also very costly. Estimates for the cost of replacing a member of staff vary by seniority and displacement. These can start at £2,000 and rise to over £50,000 – once you factor in sourcing, advertising, crafting

the job spec, screening, initial calls, interviewing, handover, welcome packages, temporary and cover staff, onboarding and training.

One rule of thumb, from US industry body the Society for Human Resource Management, is to assume six to nine months' salary as the cost of replacing one salaried employee. And while that sounds high, we can probably all accept that the true cost of recruitment is higher than we'd like, and/or higher than we might see on a profit and loss account.

The role payroll must play in developing this competitive advantage

Today, 'more than just pay' means a lot of things: insurance, subsidised travel, benefits, flexible working, performance-based leave, community leave, team social budgets – and much else (see Fig. 1). Our research shows businesses are already offering a host of benefits and extras – although many could do a great deal more. But the next generation of payroll software is going to up the ante further, offering new and more meaningful ways to empower employees.

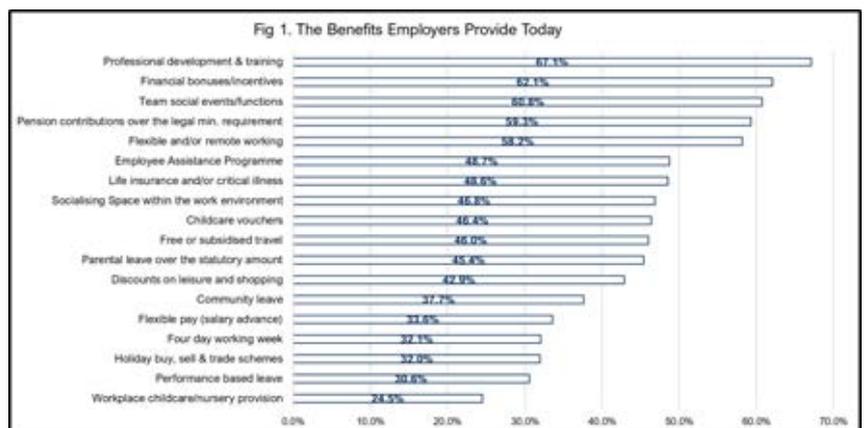
The new world of open banking has raised our expectations for how we manage our financial lives. Money management apps, like Money Dashboard, Cleo and the like, have given us the power

to see where our money is going, and slick new challengers like Monzo and Revolut have pushed the high street banks to up their game.

We anticipate these new expectations will lead to consumer-grade, work/life companion apps becoming the gold standard in payroll over the next eighteen months/two years. And these apps will be part of a much broader package helping employees with their wellbeing, including financial wellness (e.g. budgeting, cash flow, getting value for money, access to support and guidance, and tapping into their fair share of the £10bn-20bn left in unclaimed benefits each year).

Coming from Virgin Media (and before that Tesco Mobile and Plusnet) I'm very new to this industry. But what is clear to me, someone from the outside coming in, is the disparity between how payroll is seen as a 'backroom' activity, and the reality that it's on the frontline of the employee experience. And, ultimately, it's the employee experience that's going to make the difference in retaining talent.

So we need to help decision-makers make the right calls when putting together the employee offer because we know, from looking at what employees want, that there are real opportunities for businesses to differentiate and win in the war for talent in their industry, and those that don't engage run the risk of getting left behind.



Moorepay research, July 2019

The future is green

Robin Woodhouse, employment taxes principal at PSTAX, discusses the taxation of company cars



At Autumn Budget 2017, the government announced that the income tax charge on company cars registered from April 2020 will be based on CO2 percentages obtained from the new EU standard Worldwide Harmonised Light Vehicles Test Procedure (WLTP), rather than the previous New European Driving Cycle (NEDC) test.

The immediate impact of using WLTP, which the government thinks is more representative of 'real world driving conditions', will be to increase the 'reported emissions' of most vehicles above the previous NEDC amounts. This means the new emissions figures will increase the benefit in kind (BiK) income tax charge for most vehicles even though their actual CO2 emissions will remain the same.

This is important because the government is committed to using company car BiK taxation as a means of incentivising employees to choose less-polluting vehicles under their employer's company car schemes, thus helping government achieve its climate change and air quality objectives. Government statistics confirm that the average CO2 emissions for company cars are lower than for privately sourced cars, so it seems this policy has worked well in achieving environmental aims.

In turn, many employers have enabled their employees to take zero- or low-emission leased vehicles as company cars under salary sacrifice arrangements, with the added advantage of low BiK tax (compared to pay as you earn and class 1 National Insurance contributions (NICs) on the salary sacrificed), and reduced class 1A NICs for the employers.

The government's overall aim is for a 25% ultra-low-emission central government vehicle fleet by 2022, rising to 100% by 2030, supporting its climate-change ambition for all new cars sold to be effectively zero-emission by 2040.

The government hopes to encourage similar trends in employers' 'grey' vehicle fleets (i.e. employees' own vehicles used for business journeys), especially in the public sector, by continuing to offer BiK tax breaks for zero- and low-emission company cars. At present the average grey fleet car is around eight years old and emits 16% more CO2 than its company car counterpart; so there is some way to go yet.

...the future for the company car really is green

For these environmental tax incentives to continue working under WLTP, the government has had to introduce transitional measures to neutralise the immediate negative impact of the new CO2 ratings in 2020–21. Indeed, WLTP represents an opportunity for the government to adjust tax rates to create even stronger incentives to purchase or lease zero and ultra-low emission vehicles.

The good news for employees and their employers is that these new measures, combined with rate changes already announced, make zero- and low-emission vehicles more attractive than ever for employees choosing salary-sacrifice leased cars. The government has therefore announced the following measures for the BiK taxation of company cars first registered on or after 6 April 2020:

- CO2 appropriate percentages (except for vehicles with emissions over 170g/km) will be reduced by 2 in 2020–21, but increasing by 1 in 2021–22 and again in 2022–23
- all zero-emission company cars (including those registered before 6 April 2020) will attract a reduced appropriate percentage of 0% in 2020–21 and 1% in 2021–22, before returning to the 2% in

2022–23

- apart from zero-emission models, the tax treatment for cars registered before 6 April 2020 will not change during 2020–21; and the rates will be frozen at the 2020–21 level for 2021–22 and 2022–23
- company cars with CO2 emissions of 170g/km and over will attract the maximum appropriate percentage of 37% during 2020–21, 2021–22 and 2022–23.

The reductions are in addition to the existing changes for 2020–21 announced in Finance Act 2017, which introduced fifteen new bandings of which eleven are for ultra-low-emissions vehicles (sub-75g/km).

From 2020–21, the appropriate percentages for cars with CO2 emissions between 1 and 50 g/km will vary between 2% and 14%, depending on the number of zero-emission miles the vehicle can travel. This represents a massive reduction on the previous year in the case of vehicles with an electric range of more than forty miles, where the previous percentage was 16%.

The potential tax and NICs savings from low- and zero-emission company cars offered via salary sacrifice arrangements are even more achievable now that the choice of low-emission models is widening and employees have more options within a broader price range. At the other end of the scale, however, it is becoming increasingly expensive for employees to drive higher emission company cars due to a combination of punitive taxation and the introduction of clean air zones in urban areas.

Finally, a low-emissions car scheme enhances the employer's green credentials and is a popular method of fulfilling corporate social responsibility targets.

Given all of these benefits to employees and their employers, the future for the company car really is green. ■

Disability, privacy, discrimination

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



Baldehy v Churches Housing Association

The Employment Appeal Tribunal (EAT) was tasked with deciding whether the revealing of a disability during a dismissal appeal hearing gave the employer actual or constructive knowledge of a disability.

The claim centred around section 15 of the Equality Act, which looks at discrimination arising as a result of a disability, and the EAT had to consider if the employer did not know, and could not have reasonably been expected to know, that the employee was disabled.

The employee had reached the end of her six-month probation period. During this time, concerns had been raised about her conduct in a number of supervision sessions. The employee was invited to a probationary review meeting, where she was informed that there had been several complaints regarding the way she communicated with her colleagues and her apparent lack of boundaries with service users. Particular areas of concern were that the employee had loaned money to a service user without permission and had breached data protection laws by not maintaining confidentiality of service user information.

Following the meeting, the employee was dismissed as she had been deemed not to have made 'satisfactory progress

during her probation period' but was told she could appeal against this decision. During the appeal hearing, the employee disclosed for the first time that she had depression, which had a long-term impact upon her behaviour and wellbeing. She outlined that her condition made her behave unusually, make unguarded statements and suffer from short-term memory loss.

Her appeal was rejected, but the employee later brought claims to the Employment Tribunal (ET), arguing that the dismissal amounted to unlawful discrimination arising in consequence of a disability. However, the ET dismissed her claim, finding that the organisation had no actual or constructive knowledge that she was disabled at the time of her dismissal, and any later knowledge of a disability was irrelevant.

The ET outlined that no evidence had been presented that showed her behaviour arose 'in consequence' of her disability and that there was nothing to suggest this was anything other than a personality trait. They found there were other substantial reasons for the dismissal not related to her style of communication and decided that the dismissal was justified.

However, the employee appealed arguing that the initial ET made some 'serious errors' in its judgment. She

argued that there was sufficient evidence to suggest her depression had caused the relevant behaviour which led to her dismissal and the EAT agreed that no effort was made by the initial ET to gather any further evidence. The EAT also explained that the ET did not do enough to prove that the dismissal was a proportionate means of achieving a legitimate business aim and failed to take into account the prejudice involved in dismissing the employee under the circumstances. Therefore, the decision to dismiss the employee was deemed as discrimination arising as a result of a disability.

This case offers a timely reminder that employers may still be liable for disability discrimination claims if the employee hasn't disclosed disability or does so at a later stage in their employment. It also highlights the importance of an appeal in any dismissal situation and specifically that any new evidence presented at this stage must be investigated thoroughly before a final decision is made.

Garamukanwa v UK

This case, which involved the European Court of Human Rights (ECHR), focused on whether criminal evidence used by an employer as part of a disciplinary procedure breached an employee's right to privacy under Article 8 of the European Convention of Human Rights.

The employee had recently been involved in a personal relationship with his colleague, Ms Maclean, which had come to

... decision to dismiss the employee was deemed as discrimination...

an end. Not long after this, the employee emailed Ms Maclean and a junior staff member, Ms Smith, voicing concern that they had now entered into a separate personal relationship. The organisation was made aware of this behaviour and the employee was duly informed that this was inappropriate.

Despite this intervention, the employee proceeded to subject both individuals to a campaign of harassment over the next ten months, which included sending further insulting emails about their relationship. The police were eventually informed and proceeded to conduct a criminal investigation into the matter. Evidence was collected as part of this, which included details of some of the email accounts that had been used in the campaign.

The employer decided to rely on this police evidence as part of a disciplinary procedure and ultimately chose to dismiss the employee for gross misconduct. The employee unsuccessfully appealed against this decision, and so sought to bring claims to the ET.

The employee brought numerous claims, including unfair dismissal. He argued that the decision to dismiss him had breached Article 8 as it had been made through using evidence that related to his private life. It is worth noting that Article 8 specifically states that everyone has the right to respect for their private and family life, their home and their correspondence. It outlines that there shall be no interference by a public authority with the exercise of this right, except as is necessary in the interests of a number of specific areas. However, the ET dismissed his claim, deciding that Article 8 did not apply as the emails concerned work-related topics and had been distributed directly to work email addresses.

The decision was appealed to the EAT, with the employee arguing that the employer had relied on private evidence to dismiss him and that he had a reasonable expectation that this evidence would remain private. The EAT dismissed this argument, finding that there was no reasonable expectation of privacy as he should have expected the victims would share this information with the employer given the previous warnings about his conduct. It was also added that even if Article 8 was engaged, the decision to use this evidence to dismiss would still be justified in order to protect the welfare,

health and safety of the organisation's employees.

The employee finally chose to argue this case to the ECHR; however, this was dismissed once more. In doing so, the ECHR outlined that there was no reasonable expectation of privacy in respect of the material provided by the police, as by the time of the investigation the employee had already been warned about the inappropriate nature of sending personal emails on the topic. Therefore, he could not reasonably expect that any additional evidence which outlined that this behaviour had continued would remain private.

This case reminds employers that disputes around an individual's right to privacy will always depend upon the particular circumstances of the case and the evidence concerned. However, employers will be in a more advantageous position where any personal correspondence consists of work-related topics.

...no evidence submitted that the side effects made using it unacceptable or unworkable...

Mart v Assessment Services Inc.

In this case the EAT was required to judge whether the side effects brought on by the treatment of an employee's visual impairment ought to be considered when assessing their disability.

As per the Equality Act 2010 ('the Act'), individuals will qualify as disabled if they have a physical or mental impairment, which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. For the purposes of this case, it is worth noting that Schedule 1 paragraph 5 of the Act specifically provides that individuals who are visually impaired will not be classed as disabled if their condition can be corrected by spectacles, contact lenses or other prescribed ways.

The employee suffered from diplopia, which is commonly referred to as 'double vision' and causes individuals to see two images of a single object. As a result, she used contact lens that counteracted the

symptoms of the condition but visibly blacked out sections of her eye and restricted her peripheral vision.

The employee brought a claim for discrimination on the grounds of disability, arguing that the side effects of the contact lens meant that her diplopia was not corrected and that she was therefore still disabled.

It was therefore up to the ET to determine whether the employee qualified as disabled under the Act. However, the ET dismissed her claim, finding that because her diplopia could be corrected by the use of a contact lens, it did not amount to a disability.

The employee appealed, feeling that the initial ET had taken too narrow a view of the situation. Despite this, the EAT also dismissed her claim, explaining that whether an impairment was 'correctable' for the purposes of the Act would always be decided on a 'case by case' basis.

In this situation, it needed to be considered whether the impairment was resolved and if it was legitimate to take into account the adverse consequences of resolving it. Although the EAT did accept that the employee suffered a loss of peripheral vision to some extent, they could not find this was so significant that the lens was unable to provide a solution to the diplopia. The EAT ultimately concluded that the lens had corrected the diplopia, and there was no evidence submitted that the side effects made using it unacceptable or unworkable.

It is worth noting that the employee did not plead any of the other conditions that she suffered from as a result of using of the lens, which were facial disfigurement, anxiety and depression. However, the EAT judge's comments stated that had the employee decided to present her claim on the basis of facial disfigurement, then the impact of the lenses could have been considered as part of the claim.

The findings of this case suggests the legal position on needing glasses or contact lenses to correct a visual impairment may not be as clear cut as previously understood. Although the employee was unable to qualify as disabled in this instance, this does not necessarily mean that others will be unable to do so in the future and tribunals may conclude that the impairment has not been corrected if the method used to correct it is the cause of significant side effects. ■

What circumstances affect SMP entitlement?



Danny Done, managing director at Portfolio Payroll, discusses the issues and offers advice

Whilst all pregnant employees have the right to take 52 weeks' statutory maternity leave, regardless of their length of service, individuals must meet certain eligibility criteria in order to qualify for 39 weeks of statutory maternity pay (SMP). Those who fail to meet the initial criteria may be entitled to 'maternity allowance' which is paid to them directly by Jobcentre Plus (part of the Department for Work and Pensions). However, there are also a number of other circumstances which can hinder an employee's right to SMP.

Whilst employees may participate in self-employed work during maternity leave without this affecting their SMP, choosing to work for another employer can put their right to payment at risk. If your employee starts work for another employer after the qualifying week, but before the baby is born, you don't have to pay them SMP for any weeks they work for that employer after the baby is born. However, you must still pay SMP for any full maternity weeks your employee doesn't work for that employer.

In addition, if your employee starts working, after the baby is born, for someone who did not employ her during the qualifying week then you will no longer be required to provide SMP. This will remain the case even if their contract with this employer comes to an end during the maternity pay period.

Employees also have a right to utilise

ten keeping-in-touch (KIT) days whilst on maternity leave, allowing them to return to work on several occasions without forfeiting their right to SMP. Whilst KIT days must be agreed between you and the employee in advance, those who wish to exceed the ten-day limit should be aware that they will lose a full week's SMP for any week in which they participate in extra work, even if this is just one day.

...a written explanation by way of a SMP1 form to explain why they do not, or no longer, qualify for SMP...

Despite popular belief, an employee may retain their right to SMP even after they have left their employer. This will be the case regardless of whether they resign, are dismissed or made redundant as you still need to pay them the full amount of SMP if this occurs after the qualifying week. Failure to carry out this requirement may lead to enforcement action from HM Revenue & Customs, whilst employees may even take this matter to an employment tribunal to recover any additional losses incurred because of your failure to pay. It should

also be said that any decision to terminate the employment of an employee who is pregnant or on maternity leave will always come with a risk of discrimination.

Furthermore, although it may be a rare occurrence, employees who are taken into legal custody either at the beginning or during their maternity pay period will forego their right to receive SMP.

In circumstances where an employee's baby is stillborn, their entitlement to SMP will remain in place. A stillbirth occurs when the baby is stillborn after 24 weeks of pregnancy. The same applies should the baby die after the birth, but during the maternity pay period. However, where a miscarriage occurs up to the 24th week of pregnancy, the employee will have no entitlement to SMP or maternity leave.

Given the various eligibility requirements for SMP it is important that human resources departments have a clear understanding of when staff may not be entitled to receive these payments. Keep in mind that some staff may incorrectly feel that they are entitled to receive SMP no matter what, and in such a situation it will be important to inform them of this in a considered and professional manner to prevent any unnecessary disputes. Individuals should be given a written explanation by way of a SMP1 form to explain why they do not, or no longer, qualify for SMP and this must be issued no later than seven days after making your decision. ■



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PAYROLL OFFICER £30,000 - £34,000 Essex Ref: 960628

A Financial Services company in Chelmsford are looking for a Payroll Office to process a high volume payroll on a monthly basis from start to finish. You'll be calculating and processing all pay changes and dealing with all staff queries and in a timely and efficient manner. The company offers lucrative benefits however due to the location parking is not available on-site.

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Payroll and HR legislation update (50% off for members)	19 September	<i>Cardiff</i>
	25 September	<i>Leeds</i>
	26 September	<i>Birmingham</i>
Creating a payroll procedures manual	12 September	<i>Bristol</i>
	29 October	<i>Leeds</i>
US payroll practice essentials	7 October	<i>London</i>
Introduction to income tax and NICs	16 September	<i>Glasgow</i>
	7 October	<i>Birmingham</i>
	9 October	<i>Cardiff</i>

Course	Date*	Location
Essential additions to payroll basics	17 September	<i>Glasgow</i>
	8 October	<i>Birmingham</i>
	10 October	<i>Cardiff</i>
Salary sacrifice and other optional remuneration arrangements	16 September	<i>Manchester</i>
	24 October	<i>Cambridge</i>
Accuracy skills (delivered by Scott Bradbury)	9 October	<i>London</i>
	4 December	<i>London</i>

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R e c o v e r y

Fixing pension overpayments



Gareth Stears, technical consultant at Aries Insight, explains what is required and best practice when in the awkward position of asking for money back

In pensions, paying someone too much can prove as unpopular and controversial as paying them too little. This is because schemes usually need to ask for the money back. I've been involved in more exercises to correct overpayments – as an administrator and as a mediator for the Pensions Ombudsman Service – than I care to remember. Let me tell you, it isn't much fun for schemes either.

Pension trustees have a duty to ensure their scheme is administered in line with its rules, which includes paying the correct level of benefits. They also have a duty to act impartially. If one member receives (and gets to keep) more than they are due, this could be at the expense of other members. Therefore, overpayments usually require some corrective action, including changing any ongoing payments to the right level and asking members to return any excess they weren't due. It doesn't matter whether the scheme made the mistake.

Schemes will sometimes make an exception. They might write-off overpayments if the cost of recovery is likely to exceed what they expect to receive back. It can be expensive if members are non-responsive and recovery is only possible through the courts. Sometimes trustees can make a claim against their professional advisers instead, or ask for an indemnity from the scheme's sponsoring employer.

Responsive members have some legal defences against recovery, too. Sometimes they can even secure the right to an incorrect benefit going forward. The most common defences against reclaim are 'change of position', 'estoppel', and 'limitation'. The first two are similar. Broadly, the member must prove that correcting the mistake would leave them worse off than if the scheme had acted correctly from the outset. They might have committed to outlays (which cannot be refunded) because

they believed the overpayment was due to them.

The Limitation Act 1980 may restrict the scheme to recovering only overpayments made within six years of the mistake being discovered (or when the scheme ought to have discovered it). For this reason, regular audits of benefits can pay for themselves. But it can damage any defence if the member ought to have spotted it themselves.

...the net rather than gross amount should be considered...

Schemes must act fairly and impartially throughout. Members should be made aware of their right to dispute the overpayment. And schemes ought to consider whether the member has a sound defence, rather than expecting the member to fight it up to the Ombudsman.

Members shouldn't be pressured into repayment and should be allowed time to adjust. Where overpayments took place over a prolonged period, the scheme should ideally offer the member at least the same duration to repay. The speed and level of repayment should not be such that it causes the member financial hardship.

Allowing repayment in instalments may be sensible. If the member is due further payments from the scheme, 'recoupment' is a helpful option. This means deducting a proportion of those future payments, with due consideration to what the member can afford, until the debt is repaid. One benefit to the scheme is that the Limitation Act does not appear to apply to recoupment. It may also be possible to begin recoupment without the member's consent, unless the

amount is disputed. This should be a last resort, however, and the member must always be sent a repayment schedule before any recoupment begins.

Overpayments generate several tax considerations, depending on whether they are written-off or reclaimed. If written-off, establishing whether an 'unauthorised payment' has occurred can be complicated (and mostly outside the scope of this article). Trustees may have the option to augment the entitlement though, neatly removing the problem.

If reclaimed, the test against a member's lifetime allowance may need to be revisited. Correcting a pay as you earn (PAYE) record can be onerous, especially if the pension was overpaid in multiple tax years. HM Revenue & Customs (HMRC) prefer schemes to reclaim the net amount from the member and reclaim the tax from them. If any overpayment was made in an earlier tax year, schemes can send corrected figures to HMRC via an earlier year update. They should also send these to the member in writing, ideally in a revised P60 certificate marked 'replacement'.

During any recoupment, schemes usually operate PAYE on the amount due (ignoring the deduction), offsetting against the net payment. This can be hard to sell to members but is appropriate. It does mean that when considering what the member can afford to repay the net rather than gross amount should be considered.

There is more to consider. For example, a significant mistake might need to be reported to The Pensions Regulator as a breach. I haven't even mentioned reputational concerns. And members might be due compensation for any distress and inconvenience they have suffered. If this compensation (coincidentally) equals the amount of overpayment, that might solve some problems. ■

Pensions and Brexit

Henry Tapper, chief executive officer of AgeWage and director of First Actuarial, presents aspects of the effect on workplace pensions



Europe has a great deal of influence on UK pensions. The influence includes fund reporting, funding requirements, reserving against risk and even competition between service providers.

This can have very strange results. The reason that the National Employment Savings Trust (NEST) has such a complicated charging structure is because the European Commission (EC) would not allow NEST to use taxpayer money to create commercial advantage – and required NEST to levy a 1.8% charge on regular contributions. Because NEST was allowed to split the charge, others followed, including NOW: Pensions which has a £1.50 monthly charge on the investments.

The influence of Europe is felt in the money that life companies need to set aside to meet liability over-runs. The EC's Solvency II regulations impact life companies directly but they have also had an impact on workplace master trusts that now have to set money by against their possible failure.

And it is felt by fund managers who now have to report costs against the MIFID (Markets in Financial Instruments Directive) and PRIIP (Packaged Retail & Insurance-based Investment Products) standards.

Would Britain leaving the European Union (EU) mean that we would abandon these regulations as Brussels red-tape? Most pension experts think this highly unlikely.

Many of our largest pension schemes – though locally regulated – form part of a global pension strategy and aspire to be pan-European.

It is unlikely that a firm like Unilever

or Shell would argue for one level of member protection in Holland and another for the UK. You can take Britain out of Europe, but you can't stop corporates from operating both here and there.

...the majority of EU legislation as it touches pensions is considered benign

Then there are the pension funds – both the large portfolios that back our defined benefit schemes and the retail funds into which you and I can invest our private and workplace money. Many of these funds are set up in Dublin and Luxemburg, so they need to comply with European standards like MIFID II if they are to be used in Europe. It is highly unlikely that a UK regulator would allow lower standards to exist in the UK. Consumer organisations are already looking for areas of 'consumer detriment' arising from the exploitation of Brexit.

Finally, there is the very obvious but – often overlooked – fact that much as we moan about new regulations, we are very reluctant to give up legislation that works. I am not writing as a partisan remainder or leaver, but it seems patently obvious, from the lack of kickback from consumers, that the majority of EU legislation as it touches pensions is considered benign.

I attend pension conferences in Europe and there is general admiration for aspects of our pension system, especially the parts that are workplace

centric. Automatic enrolment is being copied in a number of EU jurisdictions and our funded defined benefit pension system is still the envy of many countries that aspire to the level of security it provides many of us in later age. The fertilisation of ideas (such as the development of CDC – collective defined contribution scheme) is unlikely to stop even if we have a hard Brexit.

This is not to argue that Brexit has not got the potential to harm the British pension system. We are still highly dependent – for the 'wages' we get when we stop working – on the dividends and capital growth received from UK investments. Overseas investments are subject to currency considerations which, while they could work for good or ill of a pension fund, are likely to increase as we divorce ourselves from our largest trading agreement.

But in general, the pensions industry has shown itself, to date, relatively unconcerned about Brexit. As with the country in general, people in pensions are split between those who see Brexit as a good thing (like my partner, who is pensions director at one of our largest banks) and virulent remainers. Gina Miller, who is almost as immersed in pension fund management as she is in keeping us in Europe, is joined by other strong women, including baroness Altmann.

While it is unlike me to remain on the fence, I am genuinely undecided whether Brexit will bring pensions harm or good. One thing I am sure of, it will not change the fundamental need of people in the UK and Europe to secure for themselves financial security in later life. It remains the case – whether we are in or out of Europe – that we will still need pensions. ■

AE compliance

The Chartered Institute has partnered with Sanctum Software (<http://bit.ly/336p5Pq>) and Barnett Waddingham LLP (<http://bit.ly/332RTSH>) to provide members' firms with access to an automatic enrolment (AE) compliance checking service. The service involves an initial check by Barnett Waddingham followed if needed by a detailed AE compliance audit by Sanctum Software. Where issues are found, the Sanctum audit can identify errors and calculate corrections. Barnett Waddingham can also provide advice and support where needed, to ensure that the reasons why compliance failures have occurred are understood and resolved.

...resolving any issues can be difficult and costly for the employer to put right

The rules concerning AE are complex, causing many employers to struggle with their duties. In 2017/18, The Pensions Regulator issued more than 60,000 compliance notices, and more than 28,000 fixed penalty notices to employers that have struggled.

The AE duties typically relate to: human resources (recruitment and induction); payroll (assessment, contribution collection and payment uploads); record keeping (data integrity); and compliance (declaration of compliance, certification and re-enrolment every three years). These are the main areas where typical problems can arise; for example, collection and payment of contributions can often catch employers out, usually around the required percentages of contributions, net or gross amounts to be deducted, data errors and rounding differences.

The two case studies give an idea of the type of problems employers can face when dealing with AE. Compliance is not always straightforward and resolving any issues can be difficult and costly for the employer to put right.

Case studies

1 – Net pay v gross pay

Employer A had initially set out to pay pension contributions after the deduction of tax (known as 'relief at source').

It is the pension provider's responsibility to reclaim tax relief at the basic rate and apply this for members.

Due to a change of payroll personnel at employer A, the process for paying pension contributions changed, with 'gross' contributions subsequently being paid (known as the 'net pay' basis). The pension provider was not informed and was still reclaiming basic rate tax relief on contributions received, meaning that extra tax relief was wrongly being applied to members' pension savings. After an investigation into the process for paying pension contributions, employer A decided to repay the additional tax relief to HM Revenue & Customs to avoid deducting this from members' pension savings.

This was a costly error which stemmed from a simple mistake.

2 – Contribution percentages amounts

Under AE, employers have a duty to pay minimum levels of contributions which have increased, with the most recent increase taking effect from April 2019. Employer B had been paying incorrect employer and employee contribution percentages, which were below the required AE minima. This error meant that insufficient contribution amounts had been paid to members' pension savings, resulting in a contribution shortfall of about £500,000.

The AE process was re-run from staging date to calculate the correct pension contributions, and employer B had to pay extra contributions to put members in the position they should have been in. A further review of the payroll software showed that employees who reached age 22 were not being enrolled, and processes were put in place to correct this going forward. ■



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OOPS!

It pays to be accurate

Catherine de Salvo, managing director at Scott Bradbury Ltd, delves into the cost of human error within payroll, explores why relying on software isn't always a good idea, and provides an introductory tip or two for overcoming the natural barriers to accuracy. There are a couple of fun accuracy activities, too!



Imagine the scene: a group of people from different organisations, brought together to discuss ways of reducing data error. In the group are three or four payroll professionals. If you were one of them, what examples would you have of things that have gone wrong with your payroll? How about, continuing to pay someone long after they've left? Starting a new employee on the wrong salary? Paying part-time staff full-time rates? You undoubtedly have your own horror stories of things that have gone wrong, despite your clever payroll software, which promised to eliminate mistakes.

The error cost multiplier

Accuracy within payroll is crucial. And the good news is that typically, most competent people have an accuracy rate of around 97% so most of the time everything works fine. But that 3% error rate is a killer in terms of wasted time and damaging repercussions.

Making an error in someone's name or transposing a couple of digits takes a matter of seconds. Finding it again, so you can put it right, can take hours, days or even months, depending on how quickly the error is picked up.

...typically, most competent people have an accuracy rate of around 97%...

It's surprisingly common for people not to spot that their payslip or bank balance isn't right – even if they've been underpaid – until the repercussions start. It's the 'error multiplier' factor which takes a tiny error rate of even under 3% to seriously expensive levels. A single data input error

which takes seconds to make, can waste 20% or more of an employee's time.

The ripple effect

Take a piece of paper and draw concentric circles on it, dividing the inner ring into four sections and the outer ring into eight sections (see Diagram 1). In the centre circle write down a short description of a payroll error you know about. In the first (yellow) ring, identify four different direct consequences of the error you have identified. What happens? Who has to be informed? In the outer (blue) ring, identify a further two repercussions for each direct consequence. How does it get escalated? What are the knock-on effects?

It's easy to see how a single error 'ripples out' to demonstrate the multiplier effect. One apparently 'tiny' error usually leads to several people and other organisations being involved, disruption to work, significant wasted time and damage to trust and reputation.

Causes of mistakes

People don't make mistakes deliberately, so telling them not to doesn't work. It's as helpful as telling people not to get a cold. Sound advice, but useless. People work

Diagram 1



in good faith intending to be accurate, so what's going on when a mistake happens?

One of the reasons for mistakes is due to the way our eyes work. We have no control over the movement of our eyes as we 'read' a piece of data.

Take the bank account number 89792939. As our eyes look at the numbers, they literally jerk backwards and forwards across the numbers. It's easy to look at the overall shape of the digits, to transpose them, create repeated digits or simply just read it incorrectly. Simply because of the way the human eye works. Where the eye stops is called a 'fixation' and the jerky movement is called a 'saccade'.

But if you use our 'advantage of threes' technique, naming each single digit in your head, in a waltz-type pattern, you focus on each element of the data, with a little emphasis on each group of three like this: 897 929 39. Sub-verbalising the digits in this way, means it's possible to 'listen' for mistakes as well as to look for them.

There are different techniques for working with grouped (or clustered) data like telephone numbers; or punctuated data like sort-codes or salary amounts; or alphanumeric data like postcodes or National Insurance numbers. Learning and practising these techniques with different types of data is proven to reduce human data error by 50–60%. (The 50-60% is the typical error reduction achieved by participants learning these techniques in the training programme Developing an Eye for Accuracy.)

Other causes of error include having too many levels of checking, where increasingly senior people check a percentage of the output; being stressed; memory lapses and not knowing how to manage distractions. Two other major factors, which we'll explore briefly now are the way our brains work and the kind of mindset we need to adopt when working

with payroll information.

The brain sees what it expects to see.

You can read this sentence even though most of the words are not spelled correctly because our brains see what we expect to see, not what is actually there.

Our reading skills get in the way of our accuracy skills, so we tend to look at the overall shape of data. Moreover, when we are familiar with a task and know what to expect, it's easy for our brains to 'sort out' mistakes for us, so we don't even 'see' them. There is nothing wrong with our optic nerve; but our brain automatically compensates for the mistakes in front of our eyes. This is why it can be so hard to believe we've made a 'silly' error.

But when it is pointed out to us, or we examine the data more carefully, we can see it immediately.

...it's easy for our brains to 'sort out' mistakes for us, so we don't even 'see' them

Being present-minded

Adopting an accuracy mindset is essential.

Related to concentration and attention to detail, present-mindedness goes one stage further. We define it as 'being fully engaged in the task and all factors affecting it'. This means that accuracy is improved by being aware of the consequences of errors and by taking conscious steps to mitigate the risk. Since people are generally fairly accurate, it's easy to be lulled into a false sense of complacency – and therefore it's important to adopt a 'self-sceptical' approach where you assume a questioning approach to your work. Actively looking for mistakes before processing data means you are likely to

find them before they do any damage and when they are easy and quick to correct.

Clever software encourages the wrong mindset

Software organisations like to suggest that payroll errors can be reduced or even eliminated by computer power. The automation of processes previously dependent on data input is of course usually more efficient and not prone to human error. But this in itself doesn't eliminate mistakes completely. If a process is largely automated, the people using it tend to rely on it to get everything correct. If attempts are made to eliminate errors by tightening the rules and procedures, the unintended consequence can be to squeeze intelligence and judgement out of the process, and that can lead to an increase in error. People who are encouraged to depend on the system alone, without applying critical thinking, stop being proactively engaged in the task. Once in a system, mistakes have a nasty habit of recurring and causing exponential damage, whereas a present-minded, thinking human being would spot and query any anomaly.

The blind side

Mistakes are a drain on productivity. They waste time and cause us to be inefficient. And they sometimes have far-reaching damaging consequences. And what's worse, we are often blind to just how costly they are. We try to combat error with systems instead of developing human critical thinking skills to spot the problems which systems never can. Make no mistake: it pays to develop payroll professionals' data accuracy skills.

In that vein, here's another fun activity. Carefully follow the instructions given in Diagram 2. Your challenge is to find the hidden mistake. Did you spot it? If not, email accuracy@scottbradbury.co.uk for the answer.

Mistakes are nearly always hidden from view – until you spot them. That's why our talk this year at the CIPP Annual Conference and Exhibition is called 'The blind side'. Come along to see Hugh Murray, master accuracy trainer at Scott Bradbury, explore the impact of human error on payroll professionals and share more fun activities and skills development ideas for overcoming the barriers to accuracy. ■

Diagram 2

1. Place your finger on any black square
2. Move your finger up or down ⇕ to the nearest white square
3. Move your finger left or right ⇔ to the nearest black square
4. Move your finger diagonally ↘ to the nearest white square
5. Finally move your finger up or down ⇕ to the nearest black square

You will finish on the the pound sign!



PAYROLL

Keeping the UK paid

Jerome Smail, freelance journalist, relays the views and opinions of industry luminaries confirming payroll means much more than just salary



The world has changed rapidly over the last five or ten years and this is reflected in the advancements made in payroll. As Julie Dansie, director of payroll services at Moorepay, observes, the financial crisis made consumers more aware of every penny, every pound and the need to be able to have control of their expenditure. This, in turn, led to HM Revenue & Customs (HMRC) rethinking the way they had to give consumers a 'real time' view of their income; hence, the birth of real time information and payrolling benefits in kind.

This means payroll has had to adjust, not just processes and procedures, but systems, people and the interaction and demands of clients. "Gone are the days of a nine-to-five service with no visibility of their payroll until preview reports were available, often only a week or so before the pay day," says Julie Dansie. "We have had to change the way our systems can hold and produce information to allow early visibility and control for our clients."

To get the industry's view of the view of just how the profession has adapted to keep the UK paid, and how payroll means much more than just salary, I spoke to Dansie and three other key players in the market: Mark Judd, vice president HCM product strategy EMEA at Workday; Glyn King, group managing director at Datagraphic; and Simon Parsons, director

of payments, benefits and compliance strategies at SD Worx.

...not just processes and procedures, but systems, people and the interaction and demands of clients

What have been the key changes in payroll over recent years?

Julie Dansie: The payroller's role is much more proactive than it has ever been. More emphasis is centred around helping clients to fully utilise the cloud-based systems, training clients to have ownership of their own data, and essentially be the 'expert' when needed to help explain and deal with the most difficult of calculations and tasks and work through the legislative minefield that is HMRC.

Payrollers now have to be not only the clients' comfort blanket to ensure the staff are paid on time, but also experts in auto-enrolment legislation, payrolling benefits in kind, systems usage, RTI submissions and often must have a good grasp of how HR systems, and teams, work as the

demand from clients is driving the need to have integrated HCM [human capital management] systems as a one-stop shop for all their needs.

Mark Judd: The link between payroll and other forms of HR data is changing and expanding beyond the transactional. This is making the application of tech in this area much more strategic. In the last few years we've worked with a lot of organisations to help them make their HR system the central point for people analytics, bringing together all people data into one place and securing it via a single security model.

In these organisations the role of the HR administration and payroll teams has been transformed. They are now able to help both the business and employees to plan more effectively: working with the business on things like workforce planning; and with employees to help them understand their total value to the business and tie it back to performance.

Glyn King: The main purpose of payroll hasn't changed. It still aims to pay employees accurately and on time. However, advances in technology and changes in employee expectations in the workplace have seen payroll shift towards pay and reward.

Simon Parsons: Traditionally payroll has been centred around calculating salaries and handling the transactions. Yet the compliance obligations that fall on

businesses has increased and organisations are increasing the use of benefit and reward packages. This has resulted in the payroll professional becoming an important factor in the financial planning of a business. The payroll function is required to undertake and deal with the complexities of compliance in addition to being able to manage and consult on good use of human resource planning that impacts pay and taxation.

In what ways does the payroll function now operate strategically for the organisation?

JD: Automation-driven payroll systems provide a vast repository of analytics allowing the business to make key decisions over best use of resource and expenditure and allowing thought processes to holistically grow and envisage the next step in strategic insights for expansion of the business. A good payroll system with the right reporting functionality, trained and used in the correct way, can provide a competitive advantage to any business. Payroll analytics can often predict trends in recruitment, resource gaps and even show career succession paths for key roles.

GK: Payroll has made positive steps towards being able to offer strategic insight, but it still requires further skillsets to be able to fully operate as a strategic function for the organisation. If payroll is to align activities to assist with strategic decision making and performance improvement, data analysis skills will be required. It's important that the profession adopts technology and automation tools to release staff from repetitive and manual operational tasks to develop the analytical skills for the future.

Should payroll be represented on the board or c-suite?

JD: It's imperative that any organisation looking to succeed in their chosen field has strong payroll representation on the board. Payroll is one of, if not the biggest, expenditures for a business and understanding the requirements for growth means that payroll must be represented. Payroll cannot function and give the business the .01% extra it often needs without buy-in for system enhancements and improvements. The payroll department will often have a wish list from clients of what they require and naturally will know

first-hand what functionality is required. To omit payroll from the board would be a failing for most businesses.

MJ: If the payroll function is not represented on the board then it should certainly have close relationships to those who are. By playing more of a strategic role, it can make it easier for business leaders to understand the total cost of ownership of the employee base, as well as helping employees to understand the total reward packages available to them.

...increasingly rely on data and analytics provided by payroll teams to inform how they structure, manage and engage employees

GK: Interestingly 36.45% of respondents from the CIPP's Future of Payroll Report said payroll was represented at board level. Now, whether this is directly as a payroll director or through HR and/or finance director roles still needs to be defined. If payroll wants to succeed at getting more representation at board level, as a separate function, then they need the time to focus on gaining the skills to be able to offer strategic insight from the wealth of information that is readily available at their fingertips. Unfortunately, gaining these skills isn't the only barrier payroll faces, as most organisations need to change their mindset of what value the payroll department can bring and see that it is more than just a cost-centre.

SP: Business and department leaders are going to increasingly rely on data and analytics provided by payroll teams to inform how they structure, manage and engage employees. Yet recognising that the payroll department holds this critical data and taking advantage of it are two very different matters. It is therefore essential that the payroll function is represented on the board or c-suite to ensure that the expertise of payroll is available for strategic decision making. Understanding the human cost is essential to ensuring the profitability and longevity of any business.

In what ways do you see the function developing in the future? Will it become a whole new department as it moves closer or merges with HR and reward?

JD: The advent of artificial intelligence sees payroll moving further into the technology space. Chat bots are already the norm for most large cloud-based systems and with HMRC ever-evolving systems and changes to legislation I can only see payroll becoming a larger remit for employers. There are often two schools of thought with regards to where payroll should sit, one being the HR function, the other being finance. I actually see it becoming more and more likely that it will sit on its own as more and more employers move to HCM systems. Payroll naturally then becomes closely linked with IT, finance, HR and BI [business information] teams due to the very nature of the product and the service that it has become.

MJ: I think technology will draw them closer together and we'll see HR and payroll operate much more symbiotically, allowing them to simplify critical business services such as payments and compliance.

Sitting closer to HR will empower payroll professionals to enhance the way that they personalise the function. They will be able to create relevant, individualised interactions based on each employee's situation and needs, enhancing their experience. Payroll teams will also have access to tools that will allow them to interact directly with employees and ensure their feedback is acted upon, making them far more aligned to the needs of the business and the people working within it.

GK: Automation, artificial intelligence and other advanced technologies are streamlining processes throughout every profession, and payroll is no exception. Typically, payroll has been predominantly operational with most tasks being manual and repetitive. Yet, as technology advances and becomes more accessible for organisations, payroll may find itself in a position where they need to evolve to focus more on employee experience and the human, emotional element of work. Payroll professionals could see themselves more involved in workplace wellbeing, such as helping to improve mental health by supporting and educating employees about managing their finances.

SP: The payroll function will become more

business critical all-round. Organisations face increasing obligations to be open and transparent, especially with pay and benefits provision. Payroll expertise will therefore move to the forefront of both obtaining, analysing and presenting critical data on pay. Demands from employees will also influence the changing role of payroll. For example, as HR looks to enhance the employee experience, payroll must also look at providing a more flexible pay offering for their staff, as employees want more flexibility in their careers. With four in ten UK employees wanting the ability to control their benefits and determine the composition of their reward package, it is clear that payroll and HR must work together to meet the needs of the modern employee.

What skills do payroll professionals need to thrive in an environment of growing responsibility and a widening role?

JD: The onus on payroll professionals, now more than ever, is for it to be 'jack of all trades'. You need to have a desire to understand all the legislative requirements

both HMRC and the Pensions Regulator draw up, you need to be very customer focused, with customer service skills being an absolute must – attention to detail and the ability to switch from a technical conversation to layman's terms is very much required. In addition to all this, in this age of technology you need to be very technically savvy, with the ability to 'move with the times' as systems become more and more complex to take on the requirements of the ever-demanding world in which we live.

...an increasing role for payroll professionals to play in exploring new innovative ways to administer rewards

MJ: The advances in technology, with solutions such as machine learning, robotic process automation (RPA) and digital credentialing, will begin to offer

up opportunities for process efficiencies, compliance management, and more accessible employee experiences. At the same time, the nature of work will change, as will the way that employees are rewarded. There will be an increasing role for payroll professionals to play in exploring new innovative ways to administer rewards – for example, to tailor more flexible payment intervals and cash flows to meet the variable needs of employees and to address the future of work by considering the approaches to track and pay the types of employees emerging in the gig economy.

SP: Payroll is an industry of change, whether that is annual, at the start of the tax year or other times throughout the year, the ability to react quickly to the needs of a business is critical. Expertise in benefit taxation and compliance is now critical as employee rights and obligations on employers are an increasingly important factor for business. Payroll professionals must strike the right balance between making a positive contribution to the broader business, while also ensuring continued compliance with legal obligations. ■

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The evolving role of payroll

Working in payroll is complex and demanding and as technology and employee expectations change, so does the payroll task list. **Datagraphic's Glyn King** discusses how the profession is evolving



In my experience, payroll is one of the most flexible departments when it comes to adapting to change. As a profession, we're regularly challenged to understand and implement new legislation within deadlines and to present it in meaningful ways to employees and business stakeholders. The analytical and communication skills used in this process are – and will continue to be – valuable, providing a 'human' touch in a world of increasing automation and robotics.

Whether you view technology as a friend or foe it's undoubtedly shaping payroll – and with a wave of new digital tools, it doesn't show signs of stopping. As an industry we must embrace this change and learn to work hand-in-hand with digital colleagues (robots).

As humans in payroll, we will increasingly turn to digital colleagues for data entry and number crunching, to release time for us to deliver higher value tasks. These include but aren't limited to roles such as:

● **Payroll as a communicator** – Payroll regularly communicates with employees. Whether that is responding to in-bound calls from employees requesting clarity on pay-related queries or sending out-bound hard-copy or digital documents such as payslips. Payroll has the core communication skills needed, but must develop these to deliver a better 'employee experience'.

Technology used in our personal lives is filtering through to the workplace, with employees expecting to be treated like 'customers'. They want instant and easy access to payroll and human resources (HR) information. They want a personalised experience, delivered through a channel of their choice: be that their smart device, work computer or still as paper documents. When competition for talent is high, organisations that deliver a high-quality employee experience, can

gain an edge: leading to greater employee retention, loyalty and productivity.

...we must embrace this change and learn to work hand-in-hand with digital colleagues

Payroll has a big part to play in helping to deliver a better employee experience by understanding the different channels of communication employees want and making information available via the preferred routes.

● **Payroll as a financial wellbeing guide** – Employee wellbeing is becoming more of a priority in the workplace, and payroll is well-positioned to support this work. For instance, according to Haste Pay, 32% of workers admit to missing work because they can't afford the commute. The impact of financial worries on employee motivation and their mental health can be significant.

Often, financial education for those entering the workplace straight from school is limited. And for other employees, changes in their personal lives can create periods of financial hardship. For these groups, managing income and having to budget may be new or difficult. Payroll can offer advice to help employees better understand their payslips and offer ways to save money through schemes such as salary sacrifice or making clearer reward options to which they are entitled but have not taken.

Employees making savings for the end of their career can equally feel anguish if they lack understanding about the process or value of saving for retirement. Working with the organisation's pension providers,

payroll can help communicate and educate employees about auto-enrolment and the pension schemes available.

● **Payroll as a data specialist** – Payroll has access to a wide range of employee data and analytics. If payroll teams can review and interpret this information – in line with the organisation's strategic objectives – invaluable insights can be offered to the 'chief'-suite.

Employee data can also be used as an opportunity to improve employee experience and wellbeing in the workplace. For example, if data suggests employees typically leave after a certain time period, improvements can be made to communications and employee experience ahead of that time to retain their loyalty and help improve productivity and reduce turnover rates.

Having this level of payroll influence on strategic decision making helps to elevate the role of payroll and expose the chief-suite to the power payroll has to make a positive impact on performance, and reward and remuneration. ■

Conclusion

The role of payroll professionals looks set to become more 'human' than ever before. We will be there to provide insight, to engage, motivate and inform our co-workers, whilst digital colleagues take care of the repetitive and administrative tasks that take up our workloads today.

The future of payroll – and its role within an organisation – is evolving and it definitely does more than just pushing a button to keep the UK paid!

How many roles do you play in payroll?

Share your thoughts on Twitter with @Datagraphic1 or LinkedIn @datagraphic-limited using the hashtag #payrollas.

Payroll – complexion, complication

Dan Wilson, UK Country Lead, NGA Human Resources, outlines aspects of what is involved in keeping the UK paid



Beyond the payroll department, very little is known about the efforts that go into delivering accurate, compliant and secure payroll. It's just expected that the correct salary will be credited in the right bank account each payroll run. For most, there is no need to know more than this, but for the rest of us it's interesting to sometimes reflect on how we keep the UK paid.

Ensuring data security

Data security is of paramount importance. How we treat employee's data and how we control it must be our number one priority. GDPR has impacted payroll delivery and placed further emphasis on how employees' data are handled. While it hasn't dramatically changed procedures, these were already aimed towards data privacy. It has put greater scrutiny on handling and storage to ensure compliance.

Sharing payroll data is incredibly high risk. And so it's vital to use secure data transfer measures or password protected emails. Within our own BPO (business process outsourcing) payroll processes, all communications are through our HRX Assist ticketing tool. This has the highest levels of security.

Payroll communication should follow at least these rules:

- No pre-populating of employee emails (common in Outlook where a message has previously gone to a recipient).
- Whitelist so only pre-approved email addresses are valid as recipients.

- Specific naming format for attachments to avoid attachments in error.
- Final 'tick box' requiring any recipient to be selected again prior to sending.

...impacted payroll delivery and placed further emphasis on how employees' data are handled

Entering payroll data

Most payroll data is entered directly into a human resources (HR) system and interfaced to the payroll system. In most instances, payroll entry requires little change month-on-month, but there will always be the need to manually update fields (for example, absence, maternity, paternity, and ad hoc requests).

Workforce legislation

Other than gender pay reporting, there have been few significant changes to UK legislation recently and few are planned for the immediate future. This is one reason that saw the UK slide down the *Global Payroll Complexity Index* (<http://bit.ly/33JeOsZ>) on this occasion.

In many countries, particularly growing economies in Eastern Europe, South America and Africa, there has been an urgent need to bring employee protection

and fair practice in line with the rest of the world. This has been hugely challenging for our payroll colleagues, and why there has been a rise in payroll complexity in many of these countries.

The UK is not without change, but the requirements of payroll are slight. Changes to pension rules and auto-enrolment simply require adjustments to already imbedded procedures.

Employee benefits and compensation

The only benefit set by law in the UK is facilitating a company pension. Companies must now automatically enrol employees into a scheme, although the employee can opt out. This creates its own challenges, as outlined further on.

Where we have seen change is in how taxes on benefits are paid. Traditionally, all were documented in a P11D return and the employee's tax code adjusted; more often they are now run through payroll. This is particularly common where a company car has been replaced by a cash allowance to be used for a private vehicle.

While elsewhere in the world there has been a notable change in the types of benefits, in the UK we tend still to opt for life and health related services and security. In Australasia, the Nordics and Northern Europe, there has been a rise in environmentally linked benefits, including cycle to work schemes.

Employee leave

- **Maternity/paternity** – There has

only been one significant change to UK employee leave entitlements, and this is the introduction of shared parental leave. Until recently, a woman was entitled to 52 weeks' leave and a man to just two, irrespective of circumstances. Now parents can share the 52 weeks as they choose, the only caveat that they must be full weeks.

The payment element remains 90% of a parent's average weekly earnings for the first six weeks, then 33 weeks at circa £145 per week (which changes annually). The remaining 13 weeks are 'leave only', with no payment being due. Many employers operate a company maternity scheme where payments are topped up an agreed amount.

● **Annual leave** – The current minimum is 5.6 weeks' holiday a year, pro rata. The eight UK bank holidays are included. Additional days are often added, either as an attraction to join, based on length of service or as option to buy under flexible benefit programmes.

Holiday pay has always been paid on the standard day rate, but recent guidance suggests if an employee consistently works as overtime this should be factored

into their holiday pay.

● **Sick leave** – All employees are entitled to up to 26 weeks' statutory sick pay (SSP), provided they meet requirements including length of service and minimum earnings criteria. Many organisations have a sick scheme that 'tops-up' SSP for several weeks.

...a highly challenging process that must happen, regardless, to keep employees in the UK paid...

● **Pension and retirement** – As mentioned above, there are minimum pension requirements. These have the potential to challenge payroll teams in the event employees are in a pension scheme, but no longer pay the minimum percentage.

Tax and social security

The UK has a rigid tax and social security structure. Values are deducted based on the tax code of an employee. Since the introduction of RTI (real time information), data is sent to HM Revenue & Customs (HMRC) each payroll run to provide up-to-date records of earnings levels. Submissions must be made by the date set date or fines can be levied. Deductions are then credited to HMRC by 22nd of the following month.

Following the end of the financial year: each employee must receive by 31 May a P60 certificate, outlining earnings for the year; and any P11D returns must be submitted to HMRC with content copied to employees by 6 June. The amount of class 1A National Insurance contributions due is reported in a P11D(b) return to HMRC by 6 June, and payment made to HMRC by 22 July.

To those reading their P60 certificate or P11D return it is hard to imagine what had gone into the preparing and issuing of them, but for those in the payroll department they are the final points of a highly challenging process that must happen, regardless, to keep employees in the UK paid and a business legal. ■

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A week in the life of...



Jeanette Hibbert MSc FCIPP

Payroll manager (strategic payroll)/product owner, Legal and General

Monday

Working on a project full-time means no regular routine, but we run annuity payrolls every day, so each day is similar, except for some month-end and annual events.

As product owner for payroll, my time is spent in meetings to design the solution for our teams, with a focus on customer experience. We are automating many manual processes; the new systems will administer the products we offer, ensuring everything is compliant, accurate and timely. There are no employee payrolls so we don't have statutory payments, but product rules can be complicated so this is a step forward in the customer journey.

This week we are preparing for another go-live weekend, migrating further functionality. Many people have worked long hours carrying out testing up to this week and we're heading into more intensive testing for defect fixes and agreements of migration plans.

Each day I have a number of calls with the project and testing teams. I then have a quick huddle with my team to ensure we all know what we're doing today.

I also have a board meeting hosted by my line manager, the divisional chief operating officer. It's an opportunity to ensure as a leadership team we are all informed and aligned in what's happening. We talk about the voice of customer, business and employees, and have actions plans to ensure we are offering an outstanding service to all. We also look at industry insights in customer services, in which we actively participate.

More meetings to discuss the defects as we are spending time establishing whether they are serious, urgent and relevant to the current migration. Actions are agreed and we discuss these to ensure they are staying on track.

Tuesday

We start with defect calls and the usual stand-ups, but with go-live scheduled for the weekend our daily project calls are not running as usual.

We have the project work stream (project manager, myself, business analysts, and vendor representatives) meetings every day, planning 'sprints' of work. We release functionality per 'feature', which is a group of user stories/requirements. This means we can release functionality and migrate customers in batches rather than one big bang at the end, so we can support on an ongoing basis.

The testing is taking longer than expected so most of those involved have not been available for development work. Our focus is on assessing impacts of the delay on the delivery of the items selected. Until we establish the amount of work required for the additional warranty release, we can't re-plan.

We also have a final payroll run today (on customers already migrated), so once the team have completed their checks I confirm receipt of BACS and FPS confirmations.

Wednesday

We're making good progress on the final testing and defect movements and moving along at a great pace. It feels like we will be all systems go for the weekend and everyone is more optimistic. Although everyone is tired, they are really committed to delivering.

As well as the new systems and functionality I am responsible for the design and delivery of the new operating model around payroll. More meetings today to ensure the design is fit for purpose and for putting a timeline together for next steps. I'm collaborative and fully expect the teams to be

involved in building the new way of working, but we need to ensure there is a framework ready for this to happen.

Thursday

Officially the end of the testing window, and it's the final push. We've had challenges around managing scope and environmental clashes, but we're almost there.

As we move to the end of the day, there are, despite everyone's best efforts, a small number of tests that will need to be carried over. Though not critical to the go-live, they still need running.

We have another run on a payroll today, so another round of final confirmations on this.

I have been really impressed with the dedication and collaboration across the teams.

Friday

Meetings today for final decisions. As most of us are working tomorrow for the migration, we are leaving on time if not early – we've had some long days.

We're running checks that everything is in place for tomorrow as it's a big operation with more than fifty people working. We have robust detailed steps in the process, as we migrate and close records on the old system and move across.

Saturday

We migrate on non-working days to ensure we can still service our customers. We have regular check-point meetings as we work through our tasks. Environmental issues have delayed us and a couple of challenges have added to the time lag, but we're getting there.

After a long day we're live. Another successful migration! ☐

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Tel: 0344 815 5566
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Email: info@cascadehr.co.uk
Website: www.cascadehr.co.uk

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



Cintra HR & Payroll Services

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Equi Ltd

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Miracle from Equi2 is the leading Payroll and HR solution for Microsoft Dynamics NAV. Our HMRC recognised solutions can address the most complex HRM information management requirements with our sophisticated functionality. Today our solutions are run by 1,000 companies worldwide from below 50 to over 40,000 employees, in a diverse range of sectors including construction, leisure, retail, recruitment, umbrella, IT, manufacturing and many more.



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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.

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Intelligo

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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.

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



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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 Fax: 0121 712 1001
Email: info@cipp.org.uk
Website: www.cipp.org.uk

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



Recruitment agencies

Frazer Jones

95 Queen Victoria Street, London, EC4V 4HN
Tel: 020 7415 2815
Email: fjp@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.

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James Gray Associates

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

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

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Payroll Elite Ltd

1146 High Road, Whetstone, London, N20 ORA
Tel: 0203 815 7064
Email: vacancies@payrollelite.co.uk
Website: www.payrollelite.co.uk
Twitter: @payrollelite LinkedIn: payroll elite

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

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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**.

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Target Employee Range: 50+
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Confessions of a payroll manager – Home is where the cake is!

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.

Ciao, come stai? Mi chiamo Penny!
No, I haven't moved to Italy, but we have invited Italia here, right into the heart of Crumbitt's.

It all began when one of Mr Crumbitt's peculiar ideas for a cookie range got some genuine interest beyond the UK, resulting in a specially made piece of equipment being imported from – yes, you guessed it – Italy. Though the cookie sounds like another of Mr Crumbitt's taste disasters it is delicious and we're obsessed with it. A Crumbitt's Cookie Pizza, comprising a doughy cookie base (soft in the middle and caramelly) topped with milk chocolate pieces shaped like tomato slices, dark chocolate as olives and white chocolate shavings as grated cheese. These moreish morsels are larger than the average Crumbitt's biscuit and come in mini-pizza boxes. It was the unusual size and the packaging which led to ordering of the bespoke Cookie Pizza machinery from Italy.

More exciting than the new equipment (and the copious amount of cookies it could spit out) was the new employee all the way from Italy. Roberto Marino would be relocating here with his young family and taking on the role of manager in the newly created Cookie Pizza division.

Crumbitt's workers have, traditionally, never lived much further away than a few miles up the road so the vast majority either walk or cycle in. If any of my payroll team forget anything they're usually able to nip

home and be back within their lunch break. (For Evie it's an almost daily occurrence as she forgets keys, lunch, coat, umbrella, hayfever tablets or super-strength tissues.)

Most workers grow up in the shadow of the factory, so in the main it's been local jobs for local people. Consequently, we were super-excited about meeting Roberto and wanted to make him feel supported and welcome.

I was asked to oversee the relocation process and manage the budget of £10,000 granted to Roberto for settling in. As this was new to me I headed off to HMRC's website but quickly realised that relocation is a little more complex than it seemed. Apparently, you could only give up to £8,000 without there being a benefit in kind and that could only be spent on things that it would be 'reasonable' to need to purchase if relocating – such as mortgage costs, stamp duty and temporary travel.

To ensure Roberto and his family felt welcome we decided to roll out the VIP treatment: with me supporting him on tax advice and Tom supporting on settlement in the local area (well, he's lived here forever and has rented sixteen properties over the past twenty years). We set up a Skype meeting with Roberto and discussed what support he might need. We thought we had most of it listed until a puppy suddenly appeared on screen, barked hello, jumped up and knocked over Roberto's laptop. As the puppy licked the monitor, we realised we'd need to advise about pet passports too.

I sourced a fantastic local relocation specialist firm that was able to support on all aspects of moving and resettling colleagues but Tom and I were still pretty hands on

so it sometimes felt a little like *Place in the sun* (except this was Barkleydale, so we couldn't guarantee the sun). Who would have thought being a payroll manager would involve being a travel agent?

Roberto arrived with family – and Lola the puppy – last week and we've been pulling out all the stops to make them feel at home. We had a factory-wide 'afternoon tea' and a personalised tour of the area from our resident nomad, Tom. There's a new espresso maker (as our coffee made Roberto's eyes water) and we're all trying to learn bits of Italian (see my attempt above).

We were excited when Roberto's wife Martha came in with some Italian cake for the team to thank them for their help – we learned 'grazie' and 'torta' pretty quickly, mainly to ask for more. The week was topped off with a visit to the local football match at the weekend to introduce them to the football community.

Moving to a new country is never easy but payroll colleagues have a big part to play not only in the compliance aspect with HMRC but also in helping new employees settle in and actually like where they live and work. I'm confident that Roberto, his family (and Lola) feel welcome here now; and just in case there are more ideas about European themed biscuits I'm planning to set up relocation support pages and offer the services of the team to help others.

Benvenuto a Crumbitts Roberto! ☐

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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