

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 52
July/August 2019



Benchmarking

Mental health in the workplace

Build a wellbeing strategy

AE – what next

Contribution levels

Tipping

Distribution





TRUST Frontier Software with your payroll processing

Accurate, secure and reliable



0845 370 3210
sales@frontiersoftware.com
www.frontiersoftware.com

Frontier
software

Human Capital Management
& Payroll Software/Services





Editor's comment

You'll find informative articles on this issue's feature topic of payroll data and benchmarking from page 35. Jason's message below additionally identifies relevance and application.

Increasingly, data reveals the growing issue of mental ill-health. I'm sure we have all witnessed and maybe experienced close up the impact a worker's mental ill-health can have on colleagues and performance. Some of us may have suffered or endured such ill-health, whether our own or that of a friend or family member. I recommend as essential reading the

article on page 26.

If you need reassurance of the significant role payroll plays, read the article on pages 14/15. Which prompts me to remind and encourage you to celebrate National Payroll Week – see page 4 for details.

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



Chair's message

Do you know how well your payroll and pensions team are performing? Whether providing an internal service to a business, or as an outsourced arrangement, knowing the key statistics on performance is important in today's business landscape. This

issue of the magazine looks at the level of data available to teams today – the exponential growth of data and how to use it as well as the importance of knowing key metrics for day to day delivery within your teams.

Standard metrics are volume based. How many employees paid, how frequently and to what accuracy as an example. However, key to demonstrating how good your team is, is how well educated the workforce are, and how responsive is the service to them are equally important. Are your teams providing updates regularly to keep the workforce informed of upcoming changes? Are you embracing technology to communicate more quickly and keep the workforce aware of changes that may be being considered or happening within the pensions and payroll arena? How quickly are answers provided to queries raised and do you measure the level of satisfaction the employee felt at the point of contact to receive immediate feedback and act upon it? How many complaints or commendations have the team received and do you actively

promote feedback within your teams for improving service delivery?

All of these form the basis of ensuring you know how well you and your team are doing. Having a baseline of competence also gives you a place to start when considering next year's goals. Should you be striving to improve quality or responsiveness or other indicators that demonstrate the quality and success of the department? With the above known and publicised you are also able to drive performance across the team and ensure the culture of quality and excellent service delivery is embedded.

Data is just data; it is the interpretation and use of that information that enable the best teams to thrive. There is a statement that 'feedback is the breakfast of champions' – we should all actively look for that to improve each and every day.

I hope you enjoy all the articles available in this edition and if you are a Chartered, full or fellow member, make sure you take part in our benchmarking survey available now – see page 38 for details.

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

CEO's message



I am really looking forward to a key event attended by the chair, senior CIPP directors and myself which is our 'weekend school' for our CIPP tutors – known as tutor training. Our tutors continue to provide world class service to those members undertaking our payroll or pension Foundation Degree is and are fundamental to our qualifications process.

With over 100 tutors expected, a comprehensive agenda is planned. This includes a welcome and induction to new tutors, before we move into workshops on topics such as 'how to improve tutoring skills', the 'psychology of learning: how students learn and different learning styles', 'online learning – a different style of development' and very topically, 'mental health in the workplace (including how to support a student with mental health conditions)'.

It is paramount that as the Chartered body for payroll and pension professionals we ensure our tutors – who, of course, are all members – also continue to receive this training to ensure our members receive the very best of support as they embark upon their respective Foundation Degrees or any other CIPP qualification. It is also key to their continuous professional development. Most of our

tutors have a busy day job yet make time to support the students making their way through their respective levels of qualification – and deserve a tremendous thank you for contributing to our students' success as well as giving back to the payroll and pensions industry.

We've also finished presenting at a number of successful and informative National Forums around the country. Including the upcoming final webinar, more than 1,000 members have participated in these events, so it's been great to see so many of you making the most of this member benefit. Aply supported by the policy and research team, as well as hosted by CIPP board members, these events were gratefully supported by a number of industry sponsors who we look forward to seeing again at the remaining events of the year.

Enjoy your summer!

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



Contents. July/August 2019

44

Could benchmarking improve employment relations and reduce tribunal claims?

Jade Linton explores

Features

16



The hidden role payroll plays supporting families

Helen Hargreaves reveals details

18



Tipping

Diana Bruce explores the process and proposals

20



Deductions from pay

Samantha Mann discusses the legalities

22



Capping public sector exit payments

John Harling reveals details of proposed legislation

26



Mental health in the workplace

Jerome Smail researches the extent and implications

30



AE – what next?

Henry Tapper looks at initiatives



31

Why so complicated?

Ian Neale explains why and how for pensions



34

Cyberpicking, redundancy, causal link

Nicola Mullineux outlines decisions



36

Preventing employees discussing their salaries

Danny Done discusses and offers advice



39

Doing more with payroll data

Glyn King on how to do this even if systems hold you back



40

How blockchain preserves peace of mind for PII

Ian Smith explains



42

Benchmarking

Don Macarthur encourages participation

Regulars

01 Editor's comment, Chair's and CEO's message
Events, news and developments

05 Membership insight
Five minutes with, On your behalf, Advisory

10 CIPP update

12 Career development insight
PAS case study, Diary of a student, CPD

16 Payroll insight

23 Payroll news

29 Industry news

30 Pensions insight

33 Reward insight

38 Events horizon

39 Feature articles
Payroll data and benchmarking

52 Confessions of a payroll manager

Additional online content

- 12** Candidate experience
- 32** Pension news
- 33** Work-life integration

cipp the chartered institute of payroll professionals
leading the profession

Editor

Mike Nicholas
01273 412 836 | editor@cipp.org.uk

Advertising

Jill Bonehill
0121 712 1033 | advertising@cipp.org.uk

Design

James Bartlett and Nicole Davis
design@cipp.org.uk

Printing

Warwick Printing Company Ltd

Chief executive officer

Ken Pullar FCIPP

CIPP board of directors

Jason Davenport MCIPP MloD
Stuart Hall MCIPPdip
Ros Hendren MSc, FCIPPdip, CMgr
FCMldip, FHEA
Dianne Hoodless MSc ChFCIPP FHEA
Liz Lay MSc FCIPPdip
Karen Thomson MSc ChFCIPP, FHEA
Cliff Vidgeon BA (Hons) CMA, ACIS, FCIPP
Ian Whiteside MCIPP, FMAAT, ATT

Useful contacts

Membership

membership@cipp.org.uk
0121 712 1073

Education

education@cipp.org.uk
0121 712 1023

Training

admin@cipp.org.uk
0121 712 1063

Events

events@cipp.org.uk
0121 712 1013

Marketing and sales

marketing@cipp.org.uk
0121 712 1033

General enquiries

info@cipp.org.uk
0121 712 1000

cipp.org.uk
@CIPP_UK

Articles

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

Trademarks

The CIPP logo, the initials 'CIPP' and the words 'Professional in Payroll, Pensions and Reward' and 'CIPP Consult' are trademarks of the Chartered Institute of Payroll Professionals. Copyright: The Chartered Institute of Payroll Professionals, CIPP, Goldfinger House, 245 Cranmore Boulevard, Shirley, Solihull, West Midlands, B90 4ZL. Switchboard 0121 712 1000 Fax 0121 712 1001

Copyright

This magazine is published by The Chartered Institute of Payroll Professionals in whom the copyright is vested. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher. The views expressed in this publication are not necessarily those of the CIPP or the editor. The information and comment contained in this publication are given in good faith, their accuracy or completeness cannot be guaranteed.

NATIONAL PAYROLL WEEK 2019

#NPW19 #KeepUKPaid #BePayroll



WE'RE TURNING 21 HELP US CELEBRATE

The CIPP's National Payroll Week is turning 21 this year and we need your help to make it the biggest and best year ever.

The CIPP is proud to have continually raised the profile through this special week where organisations across the country celebrate their payroll team and the payroll industry as a whole; which contributed in the region of £250bn* to the UK economy in 2017-18.

Over the 21 years, we have seen everything from cake sales, quizzes and staff parties to competitions and prize draws! The world is your oyster and we want to see how you celebrate the occasion, tweet your pictures using the hashtag **#NPW19**.

Whatever you do to celebrate this incredible week to highlight payroll and pension professionals do more than just push a button, do it with pride and fly the flag for payroll.

If you are a member of the CIPP, request your FREE National Payroll Week pack to help maximise your celebrations to the fullest.

Request your pack today at nationalpayrollweek.co.uk

HEADLINE SPONSOR



PORTFOLIO PAYROLL LTD

PARTNER



The Payroll Centre
INFORM • EDUCATE • SUPPORT

MEDIA PARTNER

REWARD STRATEGY membership

SPONSORS

Datagraphic

moorepay
A Zellis Company



LET US KNOW

Show us how you're celebrating for a chance to feature in *Professional* magazine. Send your pictures and 200 word summaries to npw@cipp.org.uk.



5 min

5

minutes with...



Jack Grinnell ACIM ACIPP

Marketing and membership team leader

Overview of your career, work history and background

I've had quite a varied work life. I started work age fifteen at a local pet store moving to a local electrical repair company as a field service engineer repairing various electrical goods across the midlands and Wales. Before joining the CIPP I worked with my uncle doing garden machinery repairs, fixing all sorts of machines and engines.

When did you first become involved with the CIPP?

In 2015, I wanted a change in career and applied for a marketing apprenticeship at the CIPP. I was lucky to be given a chance even though my background wasn't relatable at all. Since joining I have progressed through the Institute to become the marketing and membership team leader which is a job I thoroughly enjoy and find extremely rewarding.

Tell us about your role at the CIPP

My role is all about implementing the strategy for membership and marketing for our products and services. We have a real focus lately on developing our offerings to ensure members are getting the most out of the Institute.

We've recently implemented the #BePayroll campaign as a way to get members involved and tell us how being a member has helped with their professional and personal lives.

I get to be involved in all areas promoting the vast offerings we have and developing the campaigns. I get to play a vital part in showcasing our products

and services and to help in implementing strategy.

What do you think you can bring to the future strategy of the CIPP?

Since joining the CIPP there have been several changes that I like to think I've had involvement in ensuring were made possible. I have a lot to offer the CIPP and the future strategy as we focus on growing our membership and the benefits offered. I write this shortly after a strategy meeting looking at the next few years' focus – all I will say for now is watch this space.

What does the future hold for the future of payroll, pensions and reward?

I am constantly hearing at the moment about artificial intelligence and its place in the payroll world, so this is definitely on the horizon for the profession – it will be interesting to see how this ends up looking. I can say with certainty that the CIPP will be in the profession's future to offer a helping hand.

What do you do in your available time to unwind?

While away from the office I enjoy spending time with my son, fiancé and pet labrador – having become a father for the first time, last year.

I do various strongman and powerlifting training which is something I got into a few years ago. It has become a real passion of mine for various reasons, one of which is that it allows me to consume vast amounts of food and get away with it. ■

LEAD YOUR PROFESSION LEAD YOUR BUSINESS

Take advantage of the apprenticeship levy by taking the CIPP's **MSc in Strategic Leadership** apprenticeship route and equip yourself with the skills and knowledge to help shape the future of their organisation at a strategic level.

ENROL TODAY

Eligible for apprenticeship levy funding

Delivered in conjunction with



For more information or to enrol:

Visit: cippqualifications.org.uk

Email education@cipp.org.uk

Call: 0121 712 1023

Live chat with us



cipp.org.uk

@CIPP_UK



On your
behalf

UPDATE

Policy team update



The CIPP policy team sets out details of important consultation on off-payroll working and the minimum wage

PAYE Business Tax Account

In the article titled 'Employers stay in the PAYE picture' – which can be found in the April issue of the *Employer Bulletin* (<http://bit.ly/2lcZvkl>) – HM Revenue & Customs (HMRC) asserts that: "It's quick and convenient to check your liabilities and track your payments. The 'PAYE for employers' section of the Business Tax Account shows your account both annually and month by month. On your payments history page you can see each individual payment recorded so you know we've received it."

Anecdotal evidence from members and employers however tells us that there is still much discontent with the accuracy and reliability of the Business Tax Account (or 'dashboard,' as it is also simply called). To try and get a handle on the level of dissatisfaction on the results the dashboard provides, we ran a poll on our website in May, to which we received 232 responses revealing that when checking their PAYE-for-employers section:

- 28% say results are never accurate
- 31% say results are sometimes accurate, and
- 10% say the results are now accurate having established a regular pattern.

However, 16% have never checked their section and 15% have given up checking.

Of the 31% who indicated that results are sometimes accurate, we would hope that within that group there are some who find 100% accuracy, to add to the 10% group who are now accurate

after establishing a regular pattern. It is, however, very disconcerting to see that almost the same amount, 28%, find that results are never accurate; confirming the unrest that we have found to be out there with some users of the dashboard.

Our polls are limited as they do not cater for follow-up questions, but this is certainly an area which requires further investigation. We have fed these results on to our contacts within HMRC and will bring you updates as and when we can on this topic.

...evidence from members and employers however tells us that there is still much discontent with the accuracy and reliability of the Business Tax Account...

Ethnicity pay gap reporting

Back in 2017, the *Race in the workplace: the McGregor-Smith review* (<http://bit.ly/2wsltn0>) ('the 2017 review') recommended that the government should legislate to introduce mandatory reporting of ethnicity data. Recommendations on monitoring

ethnicity and pay include the following:

- Listed companies and all businesses and public bodies with more than fifty employees should publish five-year aspirational targets and report against these annually. They should also publish a breakdown of employees by race and pay band.
- All employers should take positive action to improve reporting rates amongst their workforce, explaining why supplying data will improve diversity and the business as a whole.
- All listed companies and businesses employing more than fifty people should publish workforce data broken down by race and pay band.

At the time, the government said that the case had been made for ethnicity reporting and it expected businesses to do this voluntarily. It did, however, ask Business in the Community to assess what steps employers have taken to haul down workplace barriers and harness the talent of a diverse workforce.

In 2018, a one-year-on review of how employers in the UK are performing against the 2017 review's recommendations (<http://bit.ly/2KcGb7f>) found that barriers persist in the workplace. This review ('the 2018 review') included a number of calls to action for business, and contributes to the government's industrial strategy (<http://bit.ly/2ldZ5rM>) goals of boosting productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries

and infrastructure.

The 2018 review found that just 11% of employees reported that their organisation collects data on the ethnicity pay gap ratio. In particular, those in small organisations are much less likely to report that their organisation collects data on the ethnicity pay gap ratio – just 8% do. Of those who work in an organisation that collects data on the ethnicity pay gap, 50% reported that their organisation publishes the data collected.

As only a small number of employers had chosen to publish ethnicity pay data voluntarily, in October 2018 the government published – alongside a Race in the Workplace Charter – a consultation (<http://bit.ly/2EJHjvF>) on ethnicity pay asking how a new mandatory reporting requirement should operate. The government invited views on mirroring some or all elements of the gender pay gap regulations such as proposing the same threshold of 250 employees or above, not fifty or above as recommended in the 2017 review.

The CIPP surveyed members to help inform our response. From an administrative burden perspective comparability with the methodology applied for gender pay gap would be preferred by our members. However, our members are pragmatic and recognise that this will not achieve the same results because of the different challenges presented by ethnicity classifications. Our key conclusions and recommendations in our response (<http://bit.ly/2WeT87M>) are as follows:

- There must be value achieved through the efforts of the software developers, payroll and HR (human resources) professionals and so we recognise different methodology will be required.
- If government consider that the time is right to deliver another reporting obligation on employers, in the name of transparency, then significant time and structured planning will be needed. Rushed delivery will not achieve accurate outcomes.
- Lessons need to be learned from the roll-out of gender pay gap reporting with government engaging in greater detail

with all affected stakeholders as they continue to consult.

● **Employers' pay processes** vary enormously in size and complexity. The added challenges for gathering accurate ethnicity data as identified within the consultation paper will add further layers of complexity.

In advance of any mandatory obligation we asked payroll professionals, businesses and employers through a website poll earlier this year, if their business is planning to report its ethnicity pay gap voluntarily and gave the options for large and small employers as the consultation suggests government may follow the 250+ rule. We received 347 responses:

- 13% of respondents with 250 or more employees said they would be reporting voluntarily within the next twelve months, with 2% in this category saying they would report in the next two years
- 21% of large employers said they would not be reporting voluntarily in the next twelve months or two years.

Unsurprisingly, no one from the 'less-than-250-employees' bracket went for the option to say they would be reporting voluntarily; and when directly asked if they would not be reporting, 37% said they would not. The remaining 37% of respondents were unsure or didn't know what their company is planning.

Next steps

At the time of writing, the jury is still out on what mandatory reporting may come into force as the government is still considering the responses to its consultation. We said at the time of submitting our response that we see this consultation as the start of a conversation and not the end of it – let us hope this observation is taken on board.

How you can become involved in consultation

● **Surveys** – We know it must feel like we bombard you with surveys sometimes, but there really is strength in numbers. When we submit a

consultation response, we don't say what we in the policy team think, we say what our members and the wider payroll profession tell us. The more respondents tell us, the more credible our argument is, and the bigger the impact it may have. So please do spare time if you can to complete as many of our surveys as applicable – it is your opportunity to help influence and shape the policies that effect what you do every day in your profession.

● **Policy Think Tanks** – These roundtable events are a benefit for full, fellow and Chartered members. They are meetings limited to around twenty people and are usually attended by policy leaders from the relevant government department who are interested in exploring issues with those who actually have to put the policies into practice. The Think Tanks are a chance for HMRC, the Department for Work and Pensions, the Department for Business, Energy and Industrial Strategy, HM Treasury, the Low Pay Commission and others to explore issues and understand the impact various policies or proposed policy changes can and may have on those who work in the industry. Members can and do influence government thinking, and there is a real opportunity to affect change going forward through these meetings.

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

The forums are attended by key stakeholders such as the CIPP policy team and we bring issues to the table to be discussed, just as much as HMRC bring issues they want to explore.

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

Questions, comments, issues – please email us at policy@cipp.org.uk. ■

...influence government thinking, and there is a real opportunity to affect change going forward...



Advisory

Advisory Service is available 9a.m. to 5p.m. Mondays to Thursdays, and 9a.m. to 4.30p.m. on Fridays*. Call **0121 712 1099**, email advisory.service@cipp.org.uk or visit cipp.org.uk to live chat.

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

Q: An employee has recently relocated to the UK and on their behalf our company has reimbursed relocation expenses which exceed £8,000. With regards to the P11D return we believe that we will need to report the qualifying costs over £8,000 and this will lead to the employer paying class 1A National Insurance contributions (NICs). Does this also mean that the employee will need to pay tax on this amount or will it be exempt as they are expenses incurred in relation to their relocation of employment?

A: If you reimburse exempt/qualifying expenses that are above the £8,000 limit then these are reportable in the P11D return and class 1A NICs are due for the employer. The excess is also taxable for the employee – use box J. If you reimburse relocation expenses that are not exempt (e.g. non-qualifying expenses) these are reportable in the P11D; they will attract tax for the employee and class 1A NICs as well for the employer – use box M.

Q: My employer, which has just changed its sickness absence policy to remove the need to submit self-certificate forms, wants to ensure that this will not impact on our ability to pay statutory sick pay (SSP) to employees further down the line. We have a contractual sick pay scheme and often have employees who go on long-term absence. Can you confirm that for the first week of absence, employees do not have to provide a self-certification form in order for us to pay SSP?

A: Under section 14 of the Social Security Administration Act 1992 employees who claim SSP must provide evidence of incapacity if required by their employer. Your revised policy will not impact on SSP being paid alongside the company sick pay scheme under this new policy. If you decide to ask for evidence this should be in accordance with regulation 2(1) of the Statutory Sick Pay (Medical Evidence) Regulations 1985, which requires that evidence shall be in the form of a statement given by a doctor, or by such other means sufficient in the circumstances of a particular case.

Q: Can a company claim employment allowance for a payroll that only has two directors and no other staff?

A: Yes, I can confirm that as such a company can claim the employment allowance even where all employees are directors and where both of them earn above the secondary threshold for class 1A NICs. This is covered in guidance at item 3 – The additional employee test – found in the following link: <http://bit.ly/2QzCs4Z>.

Q: A new employee has complained about his student loan repayment. Plan 1 was applied as it was not specified in the starter checklist which plan he had.

If I change the plan to the correct plan 2 next month, he won't reach the threshold to pay any student loan.

Can I reimburse the amount paid in the previous month?

A: You operated the student loan plan 1 correctly as that is the default if the employee does not indicate which loan

type. You cannot change the plan until you have received notification from HM Revenue & Customs (HMRC) to change it to the correct loan type.

Q: An employee who is currently on maternity leave has brought in a sick note saying she wants to suspend maternity leave and pay and be considered sick until she resumes her maternity leave. Can she do this?

A: The employee is in the disqualifying period for SSP whilst in the statutory maternity pay (SMP) period and can only take statutory maternity leave in the set 52 weeks. You must pay her SMP and not SSP even though she is sick.

If she is still sick after the end of the SMP period, she would not be due SSP. She would have to return to work for at least eight weeks before she would be eligible for SSP.

Q: An employee is leaving, and the termination arrangements are being negotiated through a settlement agreement. The employee has incurred legal costs (solicitor fees) regarding advice in connection to the termination of the contract, which the employer has agreed to pay. Would this be considered a benefit which is subject to tax and NICs?

A: This payment would come under section 401 of the Income Tax (Earnings and Pension) Act 2003. It would be exempt from tax and NICs and no reporting in the P11D return would be necessary if these conditions are met:

- the legal costs were invoiced directly to the company
- the payment was made directly to the solicitor
- the charges in the invoice are in connection to the termination of the employment
- the payment of the fees are made under a term of the settlement agreement.

Q: Our company has directors who live and normally work abroad but come to the UK every three months to attend board meetings. How should we treat their NICs?

A: If a director only attends board meetings in the UK (including Northern Ireland) and the board meetings are kept to a maximum of ten with each visit

lasting no more than two nights, or if the director only attends one meeting and the duration is no more than two weeks, then the payment would be exempt from NICs.

Q: Please can you confirm that the £29.00 statutory guaranteed pay only relates to Northern Ireland, and that the rate for England, Scotland, and Wales remains at £28.00?

A: A limit of £29.00 per day applies to the whole of the UK from 6 April 2019. These following links are to the legislation applicable to England, Scotland, Wales and Northern Ireland.

- <http://bit.ly/2YJvHi> (The Employment Rights (Increase of Limits) Order 2019)
- <http://bit.ly/2KiiScb> (The Employment Rights (Increase of Limits) Order (Northern Ireland) 2019).

Refer to the Schedule in each piece of legislation.

Q: Can a couple choose to take statutory shared parental pay (SShPP) and statutory shared parental leave (SShPL) in a scenario where the woman would work two days a week and the man works three days a week? Also, for the first six weeks of pay (which is at the higher rate) can they elect this to be the man's wages rather than the woman's?

A: Shared parental pay and leave are weekly rather than daily entitlements, and the parents can only take leave in blocks of weeks. They could both be on leave at the same time but couldn't take it in the way that has been suggested in the question.

The payment for SShPP is a set rate of the lesser of £148.68 or 90% of average weekly earnings. To receive SShPP the mother has to curtail SML and SMP; therefore, if she does this after two weeks of SML and SMP the further weeks would be at the applicable SShPP weekly rate only.

Q: Would pay as you earn (PAYE) apply to drawdown pension payments? For example, a one-off payment (i.e. not all the pension pot withdrawn) has been taxed on a monthly frequency and not all the income tax personal allowance applied, resulting in the pensioner paying a large amount of income tax under PAYE.

A: The PAYE regulations apply to pension

flexibility payments as they are classed as taxable income. There are three situations that could occur:

- the individual withdraws all the pension pot and is in receipt of state pension
- the individual withdraws all the pension pot and has other pension income or employment income
- the individual does not withdraw all the pension pot.

If the individual thinks that too much tax has been taken in respect of the drawdown payment, s/he would need to contact HMRC at the end of the tax year. One way of accessing a tax refund is by using form P55 in cases where not all the pension pot has been withdrawn.

Q: Our company are finalising our P11D returns for the tax year 2018–19 but there has been some confusion over those employees who earn less than £8,500 per annum for whom we need to report a benefit in kind. Is the employer exempt from paying class 1A NICs on these benefits?

A: The £8,500 threshold for P9D returns was removed from April 2016, so this exemption no longer applies (except for ministers of religion). The result is that all employees provided with any benefit in kind that is not payrolled must have the benefit reported in a P11D return. So, irrespective of the level of the employee's earnings, and regardless of whether a benefit in kind is payrolled or not, class 1A NICs are due.

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 NI category should be changed from H to A and class 1A NICs applied for both the employee and the employer. ■



Join over 15,000* qualified payroll professionals in the UK

Foundation Degree in Payroll Management

Gain an in-depth understanding of payroll, and the complex payroll legislation involved, alongside management skills including performance, time, project and operational management

Enrol now for spring visit cipp.org.uk/FDpayroll for full details



Delivered in conjunction with



For more information or to enrol:

Visit: cippqualifications.org.uk

Email education@cipp.org.uk

Call: 0121 712 1023

Live chat with us



cipp.org.uk

@CIPP_UK



*correct at time of publication

CIPP update

Payroll Assurance Scheme

THE CIPP are pleased to announce that Cantium Business Solutions have successfully achieved the prestigious Payroll Assurance Scheme (PAS) accreditation.

Ken Pullar, CIPP chief executive officer (CEO), said: "We are thrilled that Cantium Business Solutions have joined the ranks of organisations 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 payrollcompliance.org.uk or email info@cipp.org.uk to find out more about the Payroll Assurance Scheme.



CIPP raising profile through industry partnerships

THE CIPP is delighted to announce that the Institute's 21st National Payroll Week will be supported by The Payroll Centre and the Global Payroll Association as supporting partners and Reward Strategy as a media partner for 2019.

The Payroll Centre and Reward Strategy will join the CIPP in hosting a roundtable on Monday 2 September to kick off National Payroll Week 2019 with a debate on the future of payroll, focussing on the skills required for payroll professionals of the future.

Speaking on the partnerships for 2019, Ken Pullar FCIPP, CIPP CEO, commented: "It is important for the CIPP to be working with the Payroll Centre, Global Payroll Association and Reward Strategy for the CIPP's 21st National Payroll Week to further promote the profession and raise the profile of the industry across the three brands.

"In working together, we will deliver a more impactful and joined up message to those working in payroll, as well as employers and government departments who should recognise the important and strategic role that payroll plays both within business and the UK economy overall."

Taking place 2–6 September, National Payroll Week was established to raise the profile and awareness of payroll in the UK. It helps demonstrate the impact the payroll industry has in the UK through the collection of income tax and National Insurance; which contributed in the region of £250bn to the UK economy in 2017–18.

To take part in National Payroll Week 2019, visit cipp.org.uk/npw and request your event pack.



HEADLINE
SPONSOR



PORTFOLIO
PAYROLL LTD

MEDIA
PARTNER



SPONSORS

Datagraphic

moorepay
A Zellis Company

PARTNER



Brian Sparling ChMCIPPdip awarded Chartered membership

FOLLOWING THE Chartered Member assessment panel in May 2019, the Chartered Institute is delighted to announce that Brian Sparling ChMCIPPdip is the latest individual to be awarded Chartered membership. Brian is a CIPP tutor as well as working as payroll delivery manager for Ceridian Europe Ltd based in Scotland.

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

Chartered membership demonstrates the highest level of professional membership in the industry, recognising 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.

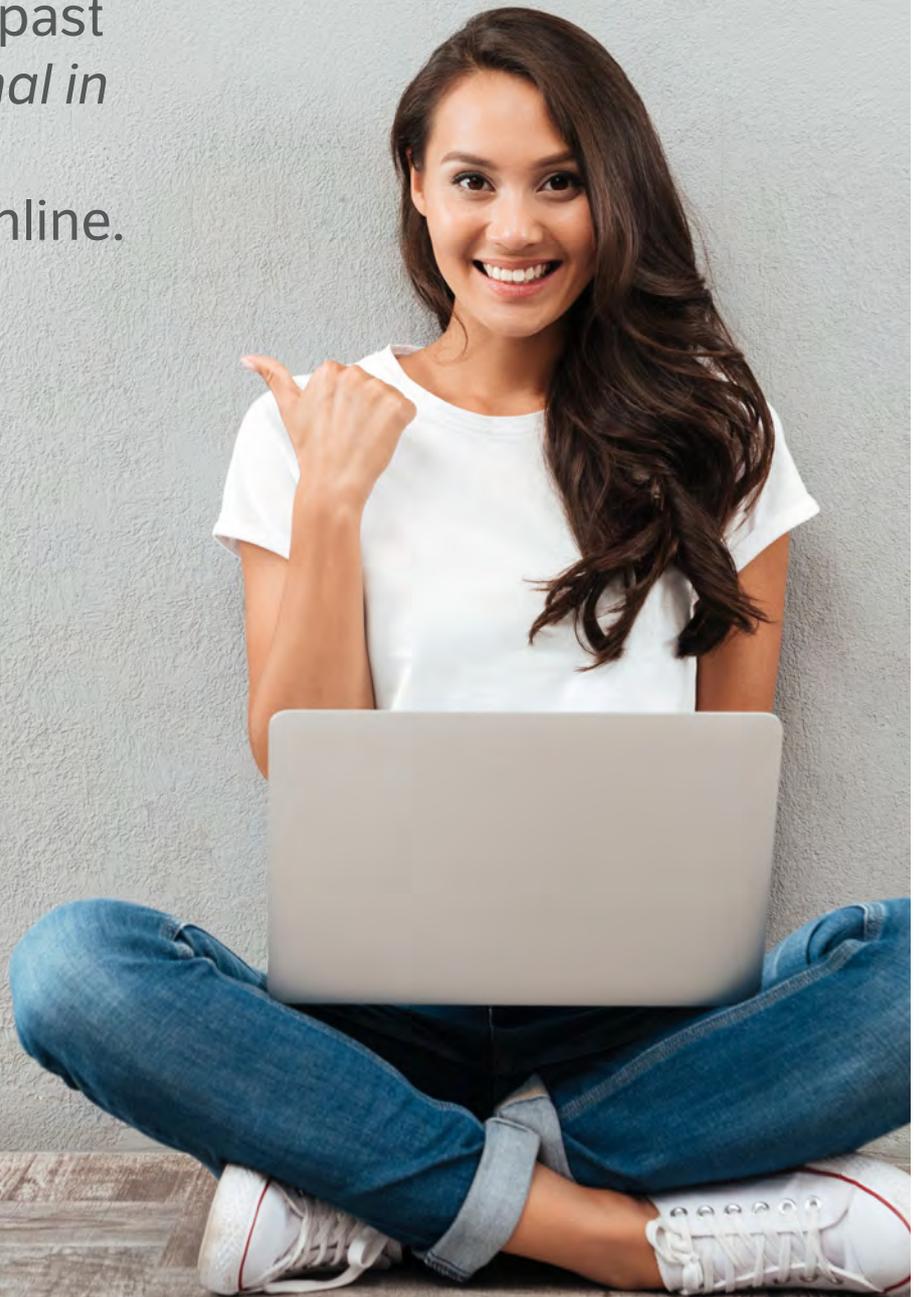
To become a Chartered Member, or find out more, visit cipp.org.uk or email membership@cipp.org.uk.



Professional magazine online editions

View the latest, and past issues of, *Professional in Payroll, Pensions & Reward* magazine online.

Click [here](#) to view



To view the latest issue online, visit cipp.org.uk,
or email info@cipp.org.uk.



cipp.org.uk
[@CIPP_UK](https://www.instagram.com/CIPP_UK)

cipp

the **chartered institute**
of **payroll professionals**

leading the profession



Candidate experience

Charles Hippi, chief executive officer and founder of Oleo, discusses

With the race for talent intensifying, recruiters are feeling the pressure to increase velocity and win the hearts and minds of qualified candidates sooner.

Digital advances mean that employers are vying for candidates from a generation that is less focused on work as a top priority, less concerned about salaries when considering a job, less likely to stay in a job for more than two years, and more focused on training and advancement than their previous generations of college graduates. These candidates are also prone to getting frustrated by how long it takes to receive an offer after their initial application and the lack of communication during their journey.

Battling this is tough when recruiters are already stretched and frantically trying to plan for and attend so many on-site events, then spending hours vetting piles of CVs or tracking the movement of promising experienced talent on networks such as LinkedIn. The result is that finding ways to communicate with candidates – be they active or passive – either falls by the wayside or ends up last on the list of priorities. This is a dangerous precedent. Whether it's time delays, poor communication with applicants, or a bad online user experience, recruiters and employers risk losing qualified candidates who left in the dark go on to consider other offers.

The ever-changing landscape of recruiting means employers must recognise the need to transform approaches. In this digital era, the push from employers needs to revolve around creating an engaging experience and personalising the process for candidates – and, in order to do this, employers need to utilise technology to ensure they form a bond from a very early stage, before the candidate applies even. Crucially, this must extend all the way through to when a candidate accepts their full-time offer.

Rather than the elongated manual

processes some recruiters have embedded, the race is on to expedite processes and keep candidates engaged in order to better match the high-touch process of finding, evaluating, and landing talent from an array of sources. Do this well, and a recruiter is more likely to simplify processes and increase hiring velocity.

With today's digital capabilities, it is necessary to focus on better and continuous candidate engagement and interaction. Recruitment marketing is the new norm. Providing relevant content at key moments of candidate receptivity can help to build trust, and it also demonstrates an understanding of candidates' needs via personalisation. This can be achieved by amplifying existing marketing content with contextual placements.

...employers must recognise the need to transform approaches

At every stage of the process good automation will facilitate two-way conversations so that candidates can give feedback on what they think of the process and receive feedback in return. The aim is to help them in their career regardless of whether they are hired.

At Oleo, we advise our clients to focus on these ten key steps to great engagement:

- Have a great employer value proposition (EVP).
- Devise coordinated but differentiated engagement strategies for different talent pools.
- Engage passives and actives.
- Ensure that your attraction campaign is end-to-end.
- Engage leadership, employees, advocates to amplify, authenticate, and

bring to life your EVP and build their team.

- Virtualise and automate, combine with focus with the real-world in person engagement.
- Understand 'great' and focus your engagement on great hires and candidates with the potential to be great future employees.
- Ensure your communication is simple, transparent and personal.
- Set expectations early and offer jobs as quickly as the process allows you to.
- Ignite and strengthen the passion of future hires and customers.

Done well, you will have an engagement plan unique to your business, helping to build talent pools of people from specific backgrounds who you as the recruiter think would be a good fit. With intelligence added in, it can even extend your reach identifying candidates who perhaps you wouldn't consider as a natural choice but is actually a great fit.

There is great value in planning engagement to work in such ways. For diversity recruiting, as an example, an employer can utilise engagement to manage issues of under-representation of a particular group, to take steps to try and attract candidates who have a diversity background to consider working for your business.

More than ever before, the time is now to ensure that you are seizing the opportunity to communicate at every touchpoint – including utilising white space on application pages. Placing messaging that hyperlinks to dedicated content and helps candidates by providing them with information and knowledge to become advocates is imperative – be this employer brand videos, images and links through to information about your organisation or people. Make it easy for candidates to see exactly what it's like to walk through your office and work in your teams – it is the future that applicants now expect. Are you prepared? ■



PAS – case study

Cintra HR & Payroll Services Ltd



The PAS – an accreditation available from the CIPP – provides payroll departments with assurance that:

- their payroll and associated processes are fit for purpose and comply with government legislation
- they have the right payroll activities in place, and
- they have suitable processes in place for picking up and preparing for legislative changes.

How beneficial has the PAS assessment been for your organisation?

The PAS assessment process and accreditation are extremely beneficial, both internally and externally. We like to think that, with our dedicated and experienced staff, we know payroll inside out and upside down – so, for us, the assessment process reaffirms that our detailed and robust procedures are of the highest standard.

Attainment and re-attainment of PAS accreditation demonstrates that we are committed to achieving and maintaining the top industry standard. The notification that we have successfully retained PAS accreditation with 100% pass rate is a fantastic achievement for our truly dedicated teams.

What advice would you give to organisations considering investing in the PAS programme?

Without a shadow of a doubt, go for it! There is great support and guidance from CIPP and the process itself is straightforward: if you have strong processes and procedures in place and can evidence them, it should be plain sailing.

Achievement of this certification shows dedication to the payroll profession and compliance to both legislative and internal procedures. It's a badge of honour which we certainly wear with pride – it means a lot both to us as an organisation and to our clients as it demonstrates they are in capable, safe hands.

How has the CIPP added value?

One of Cintra's requirements is that all our bureau staff must be qualified in their role and for the last twenty-plus years CIPP have provided an excellent tuition and qualification process. Most of our staff have progressed through to degree level and above.

The CIPP have raised the profile of the profession and provide first class learning and networking forums.

Was the PAS the best resource available to help company objectives?

It is one of the best and fits seamlessly with the other accreditations that we have, all of which enhance the reputation of capability in the ever-changing world of payroll.

Where did you learn about the CIPP PAS accreditation?

We have a long history of involvement with CIPP. Cintra ensure that all of our bureau staff are CIPP qualified, so the obvious choice for us as a company was to move on to PAS accreditation. It gave us the opportunity to demonstrate that we hold our organisation as a whole to the same exacting standards that we do our individual bureau staff.

What would you recommend about the PAS to other organisations that may be considering engaging in the scheme?

Engaging with the PAS accreditation will help a company to provide an organised framework of processes and procedures which in turn helps to ensure procedural and legislative compliance. The assessment also delivers recommendations and ways to improve those procedures to ensure continual compliance and maintenance.

How important is the payroll department to your organisation?

Our bureau team is a key integral part of our organisation. They are our customer facing, frontline ambassadors who ensure a first class and knowledgeable service to our clients. Payroll heroes, each and every one. ■

#CIPPAWARDS

The CIPP's Annual Excellence Awards



THE ONLY UK PAYROLL AWARDS

Recognise someone who has demonstrated commitment to excellence in their profession by submitting a nomination.

Submit your nominations by
31 July 2019



For more information or to enrol:

Visit: cipp.org.uk/awards

Email: events@cipp.org.uk

Call: 0121 712 1013

Live chat with us



cipp.org.uk

@CIPP_UK



*correct at time of publication

Time to Learn

Diary of a student...



Ben Hancock MSc FCIPPdip
London School of Economics

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

I left school with a few A-levels and went straight into work, learning payroll with Dune Shoes.

After a year I moved to an investment bank, again in payroll. Two years later I moved into a supervisory role with the London School of Economics – and have been there now for sixteen years.

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

Work-life balance is hard enough to achieve without studying. I had to get the buy-in of my family and set aside time for my studies which didn't impinge on family time.

Good time management and organisation are key, and these are skills you develop alongside the actual course of study itself.

Why did you choose to study the MSc in Strategic Leadership?

I had been considering the MSc for four years, before eventually taking the plunge. I'd been holding back due to various reasons, mainly because of the time commitment and how this would affect my work and family life. And, if I'm honest, there was a confidence issue, too: I hadn't studied for ten years, and never dreamed of doing something at this level.

However, I wanted a real challenge, something that would push me and help me to advance my career.

Finally, I realised that there would never be a 'good time' to embark on a two-and-a-half year degree, and so decided to just get on with it.

With the course of study being so closely related to payroll, I felt I had a head start with several years' experience in the profession. Actually, it turned out to be about so much more than payroll. It's leadership, people management, business, strategy, reward.

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

When I received the results of my first module, it became clear to me that this was going to be a lot harder than I thought.

You need to develop the skill of critical thinking and be prepared to question and argue against any theory no matter how established and accepted it might be.

I also had marks dropped for referencing incorrectly. I can't emphasise enough just how important it is to get into the habit of Harvard referencing.

How important is the MSc in relation to your future career?

I have come away with so much more

than a degree. I have learned how to plan; to lead; to question; how to really manage people (downwards and upwards); how to sell ideas and make them happen. Everything learned on the MSc can be applied in the real world.

My confidence has really soared, and I've made new friends: my study group are a great bunch of people (our weekend tutorials were a lot of fun).

My dissertation was very much linked to my workplace: 'Assessing the effect of a narrow-banded pay structure on staff engagement and motivation' looked at the perceived value of pay increases in terms of work engagement and conversely whether the lack of a pay rise demotivates employees.

Since completing the MSc I have remained with my current employer but have been given a big new role with new responsibilities. I truly feel that the MSc has given me the tools I need to face this latest challenge and will continue to do so as I go through my career.

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

Like any major part of life, the studying brought highs and lows: those moments when you're so deep in thought and an idea finally clicks in your mind; or the frustration when you just don't get it (the accounting module in my case). And there's the occasional sacrifice of your social life – but made worthwhile when you get that good grade in your last assignment.

If you're thinking about doing it, just do it. Don't be afraid – the CIPP trainers and tutors will get you through as long as you put the work in and take their advice. ■

Logging CPD has never been easier

Get the most out of your CIPP membership with our continuing professional development (CPD) tool and stand out amongst other payroll professionals.

This membership benefit allows you to highlight your contributions as you continue to progress in your profession.

Please note, to renew their CIPP membership, we require all members to actively record their learning by logging at least one piece of CPD.

We have created this step by step guide on how to log your CPD to save you time, and allow you to effectively log your CPD.

● **Step 1 (Image 1)** – In order to log CPD, you must add a learning objective beforehand so that you can allocate your CPD activity to receive points. Your learning objective must be set to 'not achieved' to continue with your CPD.

● **Step 2 (Image 2)** – Once your objective has been created, you will now need to add a new CPD record to match this. There is a drop-down option of various 'CPD categories' which

include listening, doing and reading etc. Depending on the category you choose, there will then follow a set list of activities that you can select based on your learning. Having selected both, you will then be asked to add this against a learning objective as shown above.

● **Step 3 (Image 3)** – You then have the option to upload evidence of your CPD if you wish to. There are several boxes and questions to answer to continue with your activity, which allows you to expand on your learning and development.

● **Step 4 (Image 4)** – Once you have added your CPD, you will receive a message at the top of your CPD webpage to confirm you have completed this. ■

You have now successfully completed your CPD, congratulations! You will be able to review your CPD log and the points allocated on the members area. Logging CPD really is this easy!

If you require any help with your CPD, please email membership@cipp.org.uk or call 0121 712 1073.

Add an objective Image 1

Objective*

Has this objective been achieved?

Yes No

Add a new CPD record Image 2

CPD category

Activity type*

Please provide details*

Learning objectives to which this activity relates*

Please select the learning objectives to which this CPD relates. You need to set at least one learning objective to record your CPD activity. Only 'Incomplete' learning objectives will display on this form.

To add additional objectives, please click here

Date of CPD activity*

Evidence of CPD

Continue

Continue of CPD Image 3

What did you learn?*

Will this development assist in your current role or assist in your career development or future role?*

Do you require further development?

Image 4

Thank you, your CPD record has been submitted successfully. If you selected 'Other', your points will be added following verification.

TRUSTED PAYROLL SOLUTIONS

CORPORATE PAYROLL SOFTWARE AND SERVICES

ON-PREMISES | CLOUD | OUTSOURCED



T: 0800 0390116

E: sales@intelligosoftware.com

W: www.intelligosoftware.com

The hidden role payroll plays supporting families

Helen Hargreaves MSc ChFCIPPdip, CIPP associate director of policy, reveals details and urges payroll professionals to look closely at pay dates



As payroll practitioners, we all know how important our role is, both to the workers we pay and to the employer. But we also play a vital role for the UK as a whole with payroll collecting around £300 billion for the Exchequer each year. Just look at the impact that the work you do has on each and every one of us, both directly and indirectly.

The bigger picture

Without wishing to sound too smug about it, payroll genuinely does help to keep the UK economy running. And although most of the population complain about paying income tax, they would probably be complaining much louder without it because the income tax collected through payroll is used to help fund public services such as the National Health Service (NHS), education and the welfare system, as well as investment in public projects, such as roads, rail and housing.

National Insurance contributions (NICs) fall into a number of classes. Classes 1, 2 and 3 NICs paid are credited to an individual's NI account, which determines eligibility for certain benefits. Classes 1A, 1B and 4 NICs do not count towards benefit entitlements but must still be paid if due.

Payroll is responsible for calculating/ deducting and paying classes 1, 1A and 1B NICs. Like income tax, NICs also help to fund the NHS but unlike income tax, paying NICs has a more direct impact on individuals because this is how they build up entitlements to claim their state pension, bereavement benefits for their spouse or civil partner if they die, and benefits if they are unemployed or off work sick – see the table.

Statutory payments

As well as paying the NICs which fund state benefits, payroll is also responsible for making statutory payments if an individual is absent due to illness or becoming a parent.

These statutory payments are not paid out of NICs but directly by the employer, although small employers can claim back some or all of the cost from the state. Employers often choose to run their own sick pay and maternity schemes which can be more generous than the statutory payments.

...policies to help support working parents, with varying degrees of success...

Supporting families

Over recent years the government has introduced several policies to help support working parents, with varying degrees of success. Considered by many to be solely a human resources (HR) function, the payroll department plays a vital but often unacknowledged role in enabling many of these policies, the most obvious of which being the paying of maternity, paternity and adoption pay, as well as making the correct amendments to pay for emergency and parental leave. But there are also other ways in which payroll helps support families.

● **Shared parental leave and pay** – Shared parental leave (SPL) can give parents more flexibility in how they share the care of their child in the first year following birth or adoption.

Parents can share up to 50 weeks of leave and up to 37 weeks of pay and choose to take the leave and pay in a more flexible way (each parent can take up to three blocks of leave, more if their employer allows, interspersed with periods of work).

Eligible parents can be off work together for up to six months or alternatively stagger their leave and pay so that one of them is always at home with their child in the first year.

But with this flexibility comes an essential requirement for good, timely communication between payroll and HR to ensure the parents are paid correctly depending on whether they are working or on a period of SPL.

However, despite being introduced in 2015, there are still very few families taking advantage of SPL. The government has been considering how to encourage greater use of shared parental leave, and whilst a Bill to extend to the self-employed is making slow progress through Parliament, the proposal to extend SPL to grandparents has been shelved, for now at least.

● **Flexible working** – There are many forms of flexible working. It can describe a place of work, for example homeworking, or a type of contract, such as a temporary contract. Other common variations include part-time working, flexitime, job sharing and shift work.

Whilst requests for flexible working in any of its forms would naturally be dealt with by HR, payroll plays a key role in ensuring that workers get paid accurately if their working hours or patterns change.

Universal credit

Perhaps payroll's biggest impact, and one upon which most workers will be unaware,

is on universal credit (UC). When the government announced that UC would be introduced, replacing means-tested social security benefits and tax credits for people of working age, we were told that UC would simplify and streamline the benefits system, improve work incentives, tackle poverty amongst low income families, and reduce the scope for error and fraud.

The delivery of this new benefit would require the use of employment earnings obtained from employers (and pension payers) in real time rather than being based on averaging historical amounts of earnings obtained from the P14 annual returns submitted by employers.

Real time information (RTI) is the system which collects information on pay as you earn deductions at the time an employee is paid. The information is then reported to HM Revenue and Customs (HMRC) via a full payment submission (FPS) at each pay run. Receiving information through RTI, a claimant's UC can be amended based on changes to earnings rather than the claimant providing details of their income. This all sounds marvellous in theory, but UC has not been without its problems, one of which surrounds the timing of pay days falling within the claimant's UC assessment period.

In a recent judicial review case heard at the High Court (<https://bit.ly/2N617xK>), brought on behalf of four single mothers, Lord Justice Singh and Mr Justice Lewis ruled that the Department for Work and Pensions (DWP) has been wrongly interpreting the UC regulations. The case challenged the rigid, automated assessment system in UC which meant the mothers lost several hundreds of pounds each year and were subject to large variations in their UC awards because of the dates on which their paydays and UC 'assessment periods'

happened to fall.

The mothers all had monthly paydays that 'dashed' with the dates of their monthly UC assessment periods, with the result that if they were paid early some months, because for example their payday fell on a weekend or bank holiday, they were treated as receiving two monthly wages in one assessment period – which in turn dramatically reduced their UC award. This is a problem which has affected many working claimants and has been widely reported in the media.

...important that you send accurate reports to HMRC...

In addition to creating wildly fluctuating UC awards, when the mothers received two pay cheques in one assessment period they lost the benefit of one month's work allowance. The work allowance is the amount of earnings claimants with children or with limited capability for work can keep in full before UC is tapered away at a rate of 63p per pound, worth hundreds of pounds each year.

The hearing of the claims took place on 27–28 November 2018, and the CIPP was asked to provide, via written witness statements, expert testimony about the payroll practices around pay dates falling on non-banking days. Despite the DWP putting forward several arguments attempting to justify their method of calculating UC awards, these arguments were rejected by the court which found that correctly interpreted, the regulations mean the DWP can and should adjust its calculation of UC awards when "it is clear that the actual amounts received in

an assessment period do not, in fact, reflect the earned income payable in respect of that period". In other words, wages are to be allocated to the month in which they were earned, rather than to the assessment period in which they were received.

However, and perhaps as a result of this case, HMRC has recently issued guidance about the dates employers should report in FPS returns when the regular payment day falls on a non-banking day. With a nod to the impact of payroll on UC, the HMRC guidance states: "It is essential that you report when you pay your employees on time and use the right payment date when doing so. Remember if you use an incorrect payment date, this could impact on your employees' financial situation, including any income-related benefits, such as Universal Credit, so it is important that you send accurate reports to HMRC on time or as soon as you are able to do so"

Acknowledging the occasions when employees are paid on a different day to that agreed, such as when the regular payment date falls on a non-banking day (i.e. on a Saturday or Sunday or on a bank holiday), HMRC advises that a payment reporting easement applies to ensure that this payment is treated correctly for tax purposes. When payments are made early or late because the normal payment date falls on a non-banking day then the date entered in the FPS return should be the regular payment day/date.

This instruction may come as a surprise to some but knowing now the significant impact the payment date can have on employees, I urge everyone to check their own payroll system to ensure this rule is followed. This is all part of ensuring that the 'hidden role payroll plays supporting families' continues. ■

| Benefit | Class 1: employees | Class 2: self-employed | Class 3: voluntary contributions |
|---|---------------------------|-------------------------------|---|
| Basic state pension | Yes | Yes | Yes |
| Additional state pension | Yes | No | No |
| New state pension | Yes | Yes | Yes |
| Contribution-based jobseeker's allowance | Yes | No | No |
| Contribution-based employment and support allowance | Yes | Yes | No |
| Maternity allowance | Yes | Yes | No |
| Bereavement support payment | Yes | Yes | No |



Tipping

Diana Bruce MCIPPDip, CIPP senior policy liaison officer, explores the process and proposals

The government acknowledges that whilst most businesses act in good faith and pass on the tips that workers earn for good service there are a small number of employers that negligently retain tips earned by their staff. This is being addressed through legislation which I will come to later.

What are tips, gratuities, cover or service charges?

Workers in the hospitality sector who are customer-facing may receive tips or gratuities from customers, or customers might pay a specific cover or service charge.

There are various ways that an employer will deal with such 'tips'. Dataplan, a company that processes payroll for many clients in the hospitality industry, has identified four common ways that employers deal with tips (assuming that they are actually being processed in some way and are not just given as cash in hand for employees to sort out their own tax position):

- employer keeps everything passing no benefit to employees (scenario 1)
- employer keeps 10% of total receipts (scenario 2)
- employer increases payroll so that they receive no benefit (scenario 3)
- an effective tronc scheme (see below) is in place (scenario 4).

The table on the opposite page details how a tip would be distributed under each of the four common scenarios with the calculation worked on the assumption that an employee is subject to National Insurance contributions (NICs) and tax at basic rate and is also a member of an automatic enrolment pension scheme.

As you can see the Treasury gains the most from scenario 2 where the employer actually ends up with a deficit (why would they?); whereas scenario 1 is the other extreme where the employer benefits the most by keeping all the tips and paying their dues to the Treasury, which however is not a good way to incentivise the employees.

Scenarios 3 and 4 leave the employer in a neutral position; but scenario 4 (tronic scheme) is the best option for the employees – after all, they are the ones who have worked for the tips.

...to pool tips, gratuities and service charges with their distribution made by a designated 'tronicmaster'...

Tronic scheme

A tronic scheme is an arrangement sometimes used to pool tips, gratuities and service charges with their distribution made by a designated 'tronicmaster' under a pay as you earn (PAYE) scheme that is separate from the employer's PAYE scheme.

If employees get payments through a tronic, the tronicmaster must run a payroll and report the information to HM Revenue & Customs (HMRC).

If the employer leaves it up to the tronicmaster or someone else, who is not acting on the employer's behalf, PAYE tax is due on the payments but no NICs

are due. Hence, the tronic scheme is the most favourable to the employee and the employer does not have to pay any NICs either, keeping the cost to them completely neutral.

Payments of tips do not attract NICs if the:

- tronicmaster is allocating money that originally was not paid to the employer and the employer does not pay the money directly or indirectly to their employees
- employer does not determine, directly or indirectly, the allocation of those tips.

By 'allocation', HMRC means deciding who should receive what amount by way of tips.

With primary (employee) NICs set at 12% between certain thresholds and secondary (employer) NICs set at 13.8%, it's a win-win situation to save combined revenue from tips by simply setting up a tronic scheme.

'Good work'

In 2015 a call for evidence was published delving into the complexities of the tipping process, followed in 2016 by a further consultation on tips, gratuities, cover and service charges which detailed proposals for further action on fairness and transparency. We at the CIPP surveyed payroll professionals and duly sent our formal response to the Department for Business, Energy and Industrial Strategy (BEIS) (previously the Department for Business, Innovation & Skills) summarising our findings.

In the consultation BEIS said the government believes that all discretionary payments for service should be subject to three broad policy objectives:

- clear to consumers that they are voluntary
- received by workers
- clear and transparent to consumers and workers in terms of how the payments are treated.

No government response was ever published to this particular consultation.

However, the subject came up again in the *Taylor review of modern work practices* ('the Review', launched in October 2016) which was tasked with ensuring that our system of employment rules are fit for the fast-changing world of work and to identify how employment practices need to change in order to keep pace with the modern business models.

The Review was to consider the implications of new forms of work on employee rights and responsibilities as well as on employer freedoms and obligations, including views from workers and employers working in sectors such as the 'gig' and rural economies and manufacturing, to fully understand the impact of modern working practices and how different labour markets work. A very broad remit, with many outcomes. The government's response to the Review – the *Good work plan* (published December 2018) pledged to "legislate to ban employers from making deductions from staff tips", other than those required under tax law.

The government believes "this legislation will offer a financial benefit to workers who will receive the tips they earn. Many of these workers are earning the minimum wage. It will also give consumers reassurance that the money they leave in good faith to reward service is going to the staff as they intended."

This does still cover the broad policy objectives initially laid out by BEIS so although consultation seemed to have come to standstill, it has reappeared through the Good work plan.

CIPP research

We in the policy team have been liaising

with the policymakers from BEIS to establish just what the pledge to 'legislate to ban employers from making deductions from staff tips' will mean for payroll. As part of this work we published a survey to members and the wider payroll profession during December and early January 2019 to gauge what the impact might be.

...a £10.00 tip could cost the employer as much as £3.75 in charges to pay over

BEIS was keen to understand whether there will be any costs brought about by this policy and, if so, whether they are one-off costs to introduce the policy or whether there would be any ongoing costs, and also how long it might take for employers to bring about these changes.

We asked how long it would take to make changes to the payroll system to reflect a change in tip distribution. Answers varied from half an hour to five hours and comments included:

- It will be the clients making the change.
- Audits may need to be run on the current system to implement any changes.
- Those not currently running a tronc scheme would have to set one up.
- Even those with a tronc scheme will need to check processes with troncmasters.

One comment was interesting about those smaller organisations that could lose out when customers use credit cards to pay the tip and the credit card company still charges a fee for that part of the transaction. The example used was that a £10.00 tip could cost the employer as much as £3.75 in charges to pay over.

We asked about workers' contracts

and if they currently indicate how tips are distributed, and how long it would take to amend them if necessary. Answers varied but in the main it didn't come across as hugely time intensive as contracts are updated from time to time anyway.

We asked how long it would take to create records of how tips are distributed, if necessary and how long it would take to maintain and update the records of how tips are distributed. Again, this came across as not being time intensive as most keep records anyway.

It was not difficult to conclude that tronc schemes are without doubt the way forward, even taking into consideration the time it may take to set one up. It involves a one-off cost, but regardless of whether or not the employer deducts an admin fee, processing the tips through a tronc scheme do not attract employee or employer NICs.

Of course, care must be taken, as with everything in the complexities of payroll processing. A troncmaster with a PAYE scheme may use the employer's payroll to operate PAYE on his or her behalf but the tronc scheme must be run independently of the employer's scheme. The associated PAYE records must also be kept entirely separate.

A NMW trap

On a final note – and as more of a reminder than anything – in any given pay period a worker's pay must not fall below the national minimum wage (NMW). An employer who fails to ensure this could be faced with financial penalties and may be named-and-shamed in a government press release. We have certainly seen examples of well-known employers hitting the headlines for unintentionally paying below NMW rates.

One of the most common payroll-related mistakes is including tips, gratuities, service charges and cover charges as part of minimum wage pay. They do not count even if they are administered through payroll and so they should never be included when calculating NMW pay for employees. ■

| | Scenario | | | |
|-------------------------|----------|----------|---------|---------|
| | 1 | 2 | 3 | 4 |
| Amount of tip | £100.00 | £100.00 | £100.00 | £100.00 |
| Employer benefit | £67.50 | (£16.92) | £0.00 | £0.00 |
| Employee benefit | £0.00 | £59.04 | £47.21 | £80.00 |
| Amount paid to Treasury | £32.50 | £57.88 | £52.79 | £20.00 |

Employees

Salaries

Deductions from pay

Samantha Mann MAAT MCIPPDip, CIPP senior policy and research officer, discusses the legalities



When I think about the subject of deductions from pay, several words spring to mind: statutory, contractual, voluntary and unlawful. Different words that relate to different situations, but all have the common theme, reducing the gross pay – whether to calculate net pay or indeed for some other compliance reason.

Over the years deductions from pay have been the subject of many disputes in courts and tribunals, between employer and employee. Legislation provides for specific protection to individuals against:

- unauthorised deductions being made from their wages, which includes a non-payment of wages, and
- having to make payments (other than by deductions) to their employer.

This protection was originally provided by

the Wages Act 1986 but is now consolidated within the Employment Rights Act 1996 ('the Act').

The Act also gives employees and, since April 2019, all workers the right to receive an itemised pay statement at or before the time at which any payment of wages or salary is made. Certain basic information relating to deductions must be shown in the statement which includes the amount of any variable and any fixed deductions from the gross amount and the purposes for which they are made. Where a fixed deduction is being made it is sufficient to show only a total figure of the fixed deductions, so long as an individual breakdown is provided at least every twelve months and whenever a change occurs.

The Act sets out the rights of employees

not to suffer unlawful deductions from wages. If a deduction that is within the scope of the legislation is made without authorisation the employee can make a complaint to an employment tribunal that there has been an unlawful deduction from his or her wages. Unlawful deduction claims made to employment tribunal provide a consistent reason for claims being made.

The Act also prescribes similar rights in respect of payments that the employee makes or is required to make to his or her employer outside of the payroll, as well as additional requirements in respect of deductions made where the employee is in retail employment in respect of cash or stock shortages. However, the rights in respect of payments the employee makes (or is required to make) to his or her employer are relevant because they mean that an employer cannot avoid the law on deductions from pay simply by persuading/coercing the employee into making such payments rather than treating them as deductions.

Section 13 of the Act provides that:

...right to receive an itemised pay statement at or before the time at which any payment of wages or salary is made

'Where the total amount of wages paid on any occasion by the employer to an employee is less than the total amount of the wages properly payable on that occasion (after deductions), the amount of the deficiency is treated as a deduction made by the employer.' A deduction occurs whenever the employee is not paid what he or she should be paid on that particular payday. For example, a failure to pay the correct higher rate of pay because the document authorising the increase was not received in payroll by the cut-off date may mean that the employee suffers a 'deduction'.

Employment tribunals will consider claims that there has been an unlawful deduction arising out of an error of computation. Any attempt made by an employer to argue that the tribunal has no jurisdiction to consider such a claim on the grounds that the 'deduction' was an 'error of computation', will be rejected.

Section 13 also provides that: 'An employer shall not make a deduction from wages of a worker employed by him unless: the deduction is required or authorised to be made by virtue of a statutory provision or a relevant provision of the worker's contract, or the worker has previously signified in writing his agreement or consent to the making of the deduction.'

● **Statutory provision** – Where the employer is required by a statutory provision to deduct and pay over to a public authority amounts determined by that authority as being due to it from the employee, it must be made in accordance with the relevant determination of that authority.

Deductions that have to be made under a statutory provision include items such as pay as you earn income tax, National



Insurance contributions, student loans and attachment of earnings deduction orders. More recently this list also includes automatic enrolment workplace pensions.

● **Relevant provision** – Details of what might constitute a relevant provision must be provided in writing with a copy being given to the employee before the deduction has been made. Deductions that fall within the scope of a relevant provision include those made for:

- poor quality work
- damage or loss of company property, including till or stock shortfalls (limited to 10% of gross pay where working in retail)
- use of company property/assets, including personal telephone calls.

Any variations made to the contract must also be notified by the employer to the employee in writing before the deduction can be made.

...obtain written authorisation in advance of such an event, ideally by including a relevant provision in the contract of employment

Deductions that require an employee's consent, more commonly referred to as 'voluntary deductions', will require the employee's consent to be made in writing. The consent signifies the employee's agreement which provides the authorisation, so long as no deduction is being made before written agreement/consent is signed by the employee.

However, it is not always enough for an employer to obtain agreement/consent, as has been shown in case law. For example, an agreement may state that overpayment of salary will be repaid, but unless it also states when or from what, then the employer may still not be entitled to make a deduction. In this type of case, an employee may leave a company owing money but still take all his or her final pay.

Should this situation arise it is always wise to obtain written authorisation in advance of such an event, ideally by including a relevant provision in the contract of employment.

Certain deductions are placed outside the scope of the Act. Such deductions are those made in respect of:

- overpayments of wages or expenses incurred by the employee in carrying out his employment, and
- the employee's participation in a strike or industrial action.

This does not mean of itself that such deductions are legal, only that the employee cannot bring a claim, under the Act, to an employment tribunal that he or she suffered an unlawful deduction from wages.

Any worker who considers that he or she has suffered an unlawful deduction from wages (or has been required to make an unlawful payment) can make a complaint to an employment tribunal. This applies regardless of the worker's length of service. Such complaints must be made within three months of the date that the wages were last due to be paid on; and so long as a gap of no more than three months exists between underpayments, the claim can go back for up to two years.

Any deduction from an employee's pay that is subsequently deemed to be unlawful will result in the employer having to repay the amount deducted. Furthermore, having repaid the unlawful deduction, the employer then has no right to seek recovery of it by any other means.

Before applying to an employment tribunal the Advisor, Conciliation and Arbitration Service (ACAS) should be notified. ACAS may offer the opportunity of taking part in an early conciliation service which might remove the need to apply to a tribunal.

On a final note, deductions from pay that are not statutory cannot take pay below the rate of the national minimum wage (NMW), the exception being a daily amount allowed for the provision of living accommodation. Common errors made by employers will see pay being brought below the NMW because of salary sacrifice reductions; yet even with an employee's consent these are not allowed if they reduce gross pay to below the NMW.

Another commonly encountered NMW deduction error is the fee that is allowed to be deducted by employers for the administration of a court order. This is not a statutory deduction, only the court order itself fulfils that definition. The deduction is made purely for the benefit of the employer and as such can only be made so long as pay remains at or above the NMW. ■

TAX

Capping public sector exit payments

John Harling, principal employment taxes consultant for PSTAX, reveals details of proposed secondary legislation to implement the cap



There have been calls over many years to restrict the level of payments on termination of employment in the public sector, because of the high costs involved to the taxpayer. According to the Treasury, exit payments totalling £1.2bn were made to public sector employees in 2016/17, of which £0.2bn were made in settlements at and above £100,000.

Though legislation was introduced in the Enterprise Act 2016 to cap such payments at £95,000, draft regulations have only recently been introduced to give effect. It is likely that the actual implementation date will be after a consultation exercise concludes on 3 July 2019 as there is nothing in the consultation about retrospective application which was previously envisaged under a Private Members Bill. It is widely believed that the regulations are likely to remain as drafted, but the consultation is asking for comments on how the guidance could be expanded.

The proposed legislation define the types of payments intended to be subject to the cap, how the cap is intended to operate, and the scope of the regulations. It is the government's intention to extend the scope to the wider public sector in due course with some exceptions. The regulations are the first stage in a process of implementation capturing most public sector employees.

The following categories of public sector employer are within scope of the draft regulations where they fall within the responsibility of the UK government, regarding their employment:

- the UK Civil Service, its executive agencies, non-ministerial departments and non-departmental public bodies (including Crown non-departmental public bodies and Her Majesty's Prison and Probation Service)
- the National health Service in England and Wales
- academy schools
- local government including fire authorities' employees and maintained schools

- police forces, including civilian and uniformed officers.

...exceptions being payments for death in service and on account of incapacity because of injury and illness

The legislation will not apply to some of the payments made by Scottish, Welsh or Northern Irish bodies.

Under the draft regulations, the following payments will be included within the £95,000 calculation:

- any payment on account of dismissal by reason of redundancy
- any payment made to reduce or eliminate an actuarial reduction to a pension on early retirement or in respect to the cost of a pension scheme of such a reduction not being made (often known as 'pension strain' payments)
- any payment made pursuant to an award of compensation under the ACAS arbitration scheme or a settlement or conciliation agreement
- any severance payment or ex gratia payment
- any payment in the form of shares or share options
- any payment on voluntary exit
- any payment in lieu of notice due under a contract of employment
- any payment made to extinguish any liability to pay money under a fixed-term contract
- any other payment made, whether under a contract of employment or otherwise, in consequence of termination of employment or loss of office.

In some cases, pension payments involve

an additional employer cost relating to an exit and often represent a significant amount of an individual's exit payment. For this reason, they are within scope of the draft regulations unless an exemption applies.

The proposed regulations cover all types of termination payments with the main exceptions being payments for death in service and on account of incapacity because of injury and illness. A payment made in respect of annual leave due under a contract of employment but not taken and a payment in lieu of notice due under a contract of employment that does not exceed one quarter of the relevant person's salary are also excluded.

There will also be an exemption for payments made by a fire and rescue authority to their pension fund account, where the authority exercises its discretion to allow a firefighter who is subject to the above 2.25 times pension commutation lump sum restriction to commute up to a maximum of 25% of their annual pension for a pension lump sum.

It is also acknowledged that there will be certain circumstances where a relaxation of the rules may be required, which would cover exceptional circumstances, for example cases where the cap would cause genuine hardship.

There has been nothing further from the government at this stage regarding the requirement for public sector employees to re-pay termination payments if they earn more than £80,000 and they are re-employed in that sector within twelve months of leaving. It is expected that a separate consultation on this issue will take place in due course.

As ever with any consultation it is always possible that further changes will be made. However, this does appear to be a decisive step in implementing this long-anticipated reform and employers need to be ready to deal with the consequences. ■

Payroll news

Advisory fuel rates

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

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

| Engine size | Petrol | Diesel | LPG |
|------------------|--------|--------|-----|
| Up to 1400cc | 12p | 10p | 8p |
| 1401cc to 1600cc | 15p | 10p | 9p |
| 1601cc to 2000cc | | 12p | |
| Over 2000cc | 22p | 14p | 14p |

HM Revenue & Customs (HMRC) will accept that if the employer pays up to 4 pence per mile when reimbursing their employees for business travel in a fully electric company car there is no taxable profit and no class 1 National Insurance contributions (NICs) to pay. The advisory electricity rate will be published alongside advisory fuel rates and kept under review. Employers can, however, use their own rate which better reflects circumstances if, for example, the cars are more efficient, or if the cost of business travel is higher than the guideline rate.

And briefly...

- **SSP reform** – The secretary of state for work and pensions, Amber Rudd, announced in early June that the government will shortly consult on reforming statutory sick pay "... in order to better support employers to retain staff who experience health problems".
- **NMW breaches** – Government ministers have confirmed that pending the outcome of a review, the naming and shaming of employers breaching national minimum wage (NMW) law is suspended.

Diary dates

| | |
|--|------------------|
| Last day of tax month 3 (tax quarter 1) | 5 July |
| First day of tax month 4 (tax quarter 2) | 6 June |
| Last date for submitting P11D and P11D(b) returns to HMRC | |
| Last day for submitting a real time information employer payment summary to apply to tax month 3 | 19 July |
| 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 July |
| Last day of tax month 4 | 5 August |
| First day of tax month 5 | 6 August |
| Last day for submitting a real time information employer payment summary to apply to tax month 4 | 19 August |
| 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 August |

Tax codes for payers of Welsh income tax

IN RESPONSE to claims that HMRC erroneously issued 'S' prefix tax codes for some Welsh taxpayers, HMRC's second permanent secretary, Jim Harra, wrote in May to the Welsh Finance Committee saying the department is confident it sent correct 'C' prefix codes to employers for Welsh taxpayers but that some employers had not correctly applied the 'C' codes HMRC provided.

HMRC planned mitigation activity including running a scan in early June to test how well employers apply the 'C' codes issued to them. Where there is a discrepancy between the code issued by HMRC and that applied by the employer, HMRC will re-issue the 'C' code to the employer.

Harra comments that "It is disappointing that despite the engagement we had with employers, some have not applied codes correctly. In some cases, individuals have had the wrong amount of tax deducted. I understand that this was due to issues with the payroll software used by some employers and that employers affected in this way are correcting their systems and explaining the error to their employees."

Improving the PAYE system

THE OFFICE of Tax Simplification (OTS) has published observations and recommendations following a review focusing on ways to simplify the everyday experience of businesses dealing with tax, particularly for smaller businesses with fewer than ten employees and an annual turnover of less than £2 million. The review's report (<http://bit.ly/2MECIBg>) – which covers events such as starting up in business, registering for and paying tax, taking on a first employee and dealing with more complex tax matters as the business grows notes – notes problems within HMRC's systems (e.g. there are around 350,000 duplicate employment records).

Recommendations by OTS include:

- a strategic focus on the pay as you earn (PAYE) system should be a priority to ensure effective implementation of improvements and system changes
- a fresh review be carried out of areas where the PAYE/RTI (real time information) system should be improved.

The OTS also considers that there would be merit in exploring an optional PAYE-like experience for self-employed people.

Correction

In the 'Workplace pensions statistics' piece in the June issue's Payroll news, the percentage of public sector workers in the second bullet should read '90%' not '0%'. The Editor apologises for this typo error.

EDUCATE

Educate yourself about the forthcoming changes to payroll and pensions legislation

COLLABORATE

Collaborate with like-minded individuals, ask questions and hear from industry experts

CELEBRATE

Celebrate the profession and your contribution towards making it successful

THE UK'S LARGEST INDEPENDENT PAYROLL CONFERENCE AND

The CIPP's Annual Conference and Exhibition provides an unrivalled opportunity to get comprehensive updates on all the latest changes in the industry, network with peers, friends and colleagues, and celebrate the best of the profession over the past 12 months.

With 25 workshops to choose from, 6 keynote sessions, exhibition and prestigious awards ceremony – can you afford to miss out?

PRICE INCLUDES

Selecting your choice of workshops across a packed two-day conference

Two nights' accommodation at the Celtic Manor Resort*, Wales

Attendance at the CIPP's Annual Excellence Awards

Access to the exhibition running alongside the conference

Fantastic networking opportunities across the conference and both evenings

** subject to availability*

The CIPP's
**Annual
Excellence
Awards** |  **2019**

Nominations for the 2019 Annual Excellence Awards close **31 July**. This is your final chance to nominate your payroll hero to win one of the many categories open for nominations this year. Help recognise the true payroll and pension professionals who have made an outstanding contribution and demonstrated a commitment to excellence in their profession.

Nominate your payroll hero today at cipp.intuitive-awards.co.uk.

The CIPP's Annual Conference & Exhibition 2019

2-3 October 2019
Celtic Manor Resort, Wales



From
£950+VAT*
for CIPP
members

In light of this month's theme, 'Payroll data and benchmarking', browse some of our workshops, chosen to help you expand your current knowledge:

How payroll software can help you meet new legislation obligations panel session
This panel session includes experts from payroll software developers explaining what is new to payroll and how they help payroll professionals like you comply.

Integrated payroll and HR – how technology can link the future of payroll and HR
Explore how automation enables an integrated solution that drives performance while elevating the role of both functions.

Will Alexa be running your payroll?
How long will it be before 'Alexa' runs the payroll? Will we really be able to leave the payroll to a robot?

Discover the rest of the programme over the two days on our website.

BOOK YOUR PLACE TODAY

Visit cipp.org.uk to book or email events@cipp.org.uk for more information

Accommodation sold out in 2018 so make sure that you book early to avoid disappointment

Thank you to our conference and award sponsors:

HEADLINE SPONSOR





Mental health in the workplace

Jerome Smail, freelance journalist, researches the extent and implications of this important issue, and provides information as well as helpful guidance



Mental health is a key issue in society as a whole but one of the major battlegrounds is the workplace. In fact, two-thirds (66%) of workers have personally experienced mental ill-health, according to a study by professional services organisation Accenture.

Although awareness surrounding mental health in the workplace is improving, misperceptions persist – as does an unnecessary stigma. Too many employees still feel uncomfortable about discussing or disclosing problems with their mental health. The same Accenture survey found that the majority (61%) of workers suffering from mental health problems have not spoken to anyone at work about their issues.

What's more, as many as 42% of employees call in sick claiming to be suffering from a physical illness when the real reason is a mental health issue, according to a report by insurance organisation BHSF. In the study of 1,001 full-time employees, only 15% of employees said they would tell their boss if they were struggling with mental health issues, with reasons for not divulging

problems including fears of not being promoted, poor grading in assessments or being seen as a weak link in the team.

The study also found that over half of respondents (56%) suffered from stress, a third (36%) from anxiety and a quarter (25%) from depression, and yet nearly two-thirds (63%) of employees felt that mental health was stigmatised by either all or some of their colleagues.

Dr Philip McCrea, chief medical officer at BHSF, says the scale of the problem is huge, and being massively underestimated by employers, with employees feeling they have to mask the issues they are facing. Dr McCrea says "Although shocking, these findings don't surprise me. A more open culture must be created in workplaces across the UK, and employers have to take responsibility for this change."

While the BHSF research showed employees are taking time off for mental health issues, other research suggests that presenteeism is a problem, with many sufferers simply soldiering on. More than a fifth (22%) of employees went into work when feeling mentally unwell in 2017, according to research by Canada Life Group Insurance. Again, stigma appears

to be playing a part. A fifth (21%) of respondents admitted they are more likely to go into work when feeling unwell from a mental health problem rather than a physical illness, while 15% thought their boss and colleagues would not take them seriously if they took time off for a mental health issue.

Ironically – although perhaps unsurprisingly – the workplace itself appears to be adding to mental health problems. As many as 88% of respondents to the Canada Life survey said work was either the main cause or a contributing factor to their mental health problems. However, only a fifth (21%) of employees received dedicated mental health support from their employer.

Paul Avis, marketing director of Canada Life Group Insurance, believes mental health issues can be a vicious cycle for employees, fuelled by persistent presenteeism and the need to be 'always on'. "Employees suffering from mental illness should be focusing on getting better, rather than struggling into the office, as the stress of work is unlikely to lead to an improvement in their overall condition," he says.

Of course, it's in the interest of every business to look after the mental wellbeing of its employees, not just as a duty of care but also for the sake of its own effectiveness; the average employee takes 8.4 sick days each year due to a mental

...fears of not being promoted, poor grading in assessments or being seen as a weak link in the team

health problem, according to the BHSF report.

Dr McCrea observes: "Mental health is currently costing the UK economy billions, and the cost of non-intervention is far greater than the cost of intervention. It's up to employers to take a proactive approach to managing mental health in the workplace before it's too late."

However, the world of work appears to be slow at catching on to the importance of mental wellbeing. Echoing the BHSF report's findings, a survey of 1,089 workers by employee services organisation Personal Group revealed that two-thirds (66%) of workers feel their employer does not offer enough support for mental health in the workplace. But perhaps even more significantly, while 80% of employees told the survey they had noticed an overall increase in awareness of mental health generally in the UK, 62% said they had noticed no corresponding change in the levels of awareness in their own workplaces.

Rebekah Tapping, group human resources (HR) director at Personal Group, says: "It is surprising, not to mention a real shame, that such a large number of employees still feel there isn't enough mental health support available in the workplace, and especially surprising as awareness of the topic has significantly increased in recent years.

"It is more important than ever that business leaders and decision makers break the culture of stigma and silence around mental health and start making it a management priority and ensuring that a range of support is available for those who need it"

Avis agrees, saying: "Despite a noticeable increase in the acceptance of mental health issues in society, employees are still concerned that their boss and colleagues would not take their mental health issues seriously, or worse, that they are hindering themselves for future opportunities at their company by taking time off for a mental illness.

"Employers must show that they are serious about supporting employees with mental health and stress-related issues. Communicate that it's fine to take time off to get better and there won't be any negative impact on their career for doing so."

One of the most common methods for employers to offer support with mental

wellbeing is through employee assistance programmes (EAPs).

Personal Group reports the number of mental health enquiries to EAPs by UK employees rose by 31% last year, outpacing all other advice calls, including those relating to relationships and general health issues.

...common methods for employers to offer support with mental wellbeing is through employee assistance programmes...

So, the need for good help and good advice is clear. But how can employers go further and not only provide the support employees need but create an environment that minimises mental health problems?

Mark Scanlon, chief executive officer (CEO) of Personal Group, advocates a holistic approach to mental health support. He says: "To effectively improve wellbeing, a strategy must be put in place which considers physical, emotional as well as financial wellbeing. If an employee is suffering in one area of their life it will often manifest itself in other areas.

"A truly all-inclusive health and wellness programme that acknowledges and supports employees at each point of this triangle of wellbeing is the only way to promote meaningful employee wellbeing"

However, Scanlon does acknowledge that an increasing number of employers are waking up to the fact that more must be done to improve their employees' wellbeing. "Mental health in the workplace is no longer a taboo subject," he says, "but only by providing resources and open conversation can we truly start to provide the support our employees need."

According to Brendan Street, professional head of emotional wellbeing at Nuffield Health, an organisation's approach to mental wellbeing should start with clear leadership. He says: "If employees see managers and directors investing in employee wellbeing, they'll be more likely to speak up, as the stigma

is lifted – so focus on getting buy-in from the top."

Expert advice is also essential. "Doctors and psychotherapists can advise on the best ways to start conversations with employees and how to lead them," says Street. "They may also be able to suggest some signs of mental distress you might notice in those employees who don't yet feel comfortable speaking out. Being able to notice subtle behaviour changes like irritability or turning up late means you can take an employee aside for an informal chat."

Using diagnostic or medical language can be daunting for employees, so stick to familiar terms that describe symptoms or feelings in common language. Developing the art of listening is also key. Street believes that "sometimes what you don't say can be as important as what you do". He advocates the 'active listening' technique, which involves concentrating and offering deep empathy with what the speaker is saying.

"Sometimes, the only speaking you need to do is repeating back what your employee has said to you or rephrasing it to demonstrate you've understood the meaning," he says. "Employees may only get the courage to speak once, so it's crucial you're ready to listen and demonstrate you're actively listening – especially as research shows 15% of staff who've spoken to a manager about their mental health felt their disclosure was either dismissed or they were looked at differently by their employer."

Joe Gaunt, founder and CEO of wellbeing organisation Hero, also champions a top-down approach. He says: "Managers have daily direct exposure to the majority of any workforce and so it's vital you invest in training them to recognise a shift in someone's behaviour and how to better support that person.

"This all comes down to having a strong wellness strategy in place. Your managers must advocate the programme, being confident and able to direct team members to the advice, update them on seminars, hold one-to-ones and provide additional support to begin to tackle mental health within the workplace proactively."

Care of employees' mental wellbeing isn't a job just for leaders, however. In fact, some employees do not feel comfortable speaking to their own manager about their mental health, creating a barrier to help.

The Willis Towers Watson Global Benefits Attitudes Survey revealed that only one in three (34%) of employees would seek the support of a manager if they were suffering from anxiety or depression.

According to Mike Blake, wellbeing lead at Willis Towers Watson, peer-based mental health champions can help overcome this, as they can offer a confidential advisory service to those suffering from mental health issues, with no direct involvement of a line manager. "Champions are often trained in mental health first aid, so they can spot the signs of mental ill-health, and guide employees to the most appropriate source of help," he says.

There certainly seems to be a willingness among employees to help their peers. While 64% of respondents to the Personal Group survey said they believe they could provide support for someone struggling with a mental illness, 58% also said they would like to be provided with mental health awareness training by their employer to help develop their understanding and skills. Three-fifths (60%) said they thought they would be able to notice the signs of someone

suffering from a mental health problem, while 36% said they were unsure.

...mental health awareness training by their employer to help develop their understanding and skills

Another key to launching and managing an effective wellbeing strategy is ongoing measurement and evaluation. "Surveying your workforce helps you understand which areas of the business need support or development and how employees feel," says Gaunt. "This feedback is invaluable to shape your strategy."

Developing early intervention strategies is critical. This includes the provision of mental health first-aiders, providing adequate mental health training for managers and champions, as well as resilience-building for employees.

But while these are all effective and worthwhile components of a mental wellbeing strategy, it's also important for leaders, managers and mental health champions to get to know employees on a personal level.

Vicki Field, HR director at London Doctors Clinic, explains: "There are also short-term issues which may affect the mental wellbeing of your employees, such as life events like bereavements, divorces and family problems that can cause significant emotional distress for people.

"We are all only human, which means there is an impact at work. People may be less focused, or show visible emotions, or even dress differently. There may be a few weeks or months where behaviour changes, or work drops off, and offering support to your team member during this time can have significant benefits for all parties in the long run."

The personal touch can go a long way in helping employees to open up about their anxieties and issues so you can give them the help they need. There is no substitute for caring about – and caring for – your people.

Salary sacrifice and other optional remuneration

Half day duration | Blended learning

This half day course explains the legal and payroll related implications of salary sacrifice schemes and other optional remuneration arrangements.

Using examples, it examines what makes a successful salary sacrifice arrangement, covers the payroll processing and reporting implications, and highlights the potential impact on state benefits.

This course covers:

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

Book online at cipp.org.uk or email info@cipp.org.uk for more information.

cipp.org.uk    
@CIPP_UK


CPD
CERTIFIED
The CPD Certification Service


cipp
the chartered institute
of payroll professionals
leading the profession

Industry news

GDPR increase employee confidence in data security

THE *ADP Workforce View in Europe 2019*, which surveyed over 10,000 employees throughout Europe, found employees feel more confident about data security since the General Data Protection Regulation (GDPR) was introduced in 2018. More than half of respondents (53%) – a rise of six points since 2018 – say that they feel confident that their data is stored responsibly and securely by their employer.

However, more than a quarter (26%) of UK employees still worry about the security of their personal data. The biggest concern amongst UK employees is that they have no control over the data being stored (11%), followed by worries that their organisation's systems are vulnerable to cyber-attacks or data breaches (9%). A further 8% are concerned that too much data is being held without their consent.

Cécile Georges, ADP chief privacy officer, commented: "GDPR has already led to positive results but companies must continue to work to maintain data security and ensure their employees feel confident about the way their employers hold and process their personal data."

Multinational businesses struggle to take payroll global

RESEARCH CONDUCTED by the Global Payroll Alliance, in association with SD Worx, a leading provider in payroll and HR services, shows that many multi-country businesses still do not have sufficient visibility over the payroll function. The findings reveal that the main challenges for such organisations are:

- reporting across all of their payroll operations
- finding information on legislation and compliance and local legislation knowledge.

Other key findings include:

- 12% of businesses do not use smart technology to handle payroll processes
- although 38% of respondents don't know whether their organisation would benefit from robotic process automation being introduced into the payroll function, 44% think this will benefit payroll, citing delivery of higher quality performance.

Jean-Luc Barbier, vice president global solutions, SD Worx, comments: "By digitizing payroll and HR processes to the maximum, companies can gain valuable data-based insights that can help support their transformation. In addition, they must also invest in the continuous training of their employees. If not, there is a high risk that the benefits of the new technology will be completely lost."

Moorepay launches new advice service

THE PAYROLL and HR solutions specialist, Moorepay, has launched a solicitor-led employment law advisory service to give legally privileged advice for a lower-cost retainer fee. The service, which is a first for the HR, benefits and payroll sector and is being rolled out to the company's 10,000 small- to medium-size business clients, allows access to high quality employment law support from specialist solicitors complemented by Moorepay's HR expertise. The new service, which is also regulated to offer legal expenses insurance, makes it more cost effective and easier for HR teams to get quality legal input into employment law related decisions.

Based on around 200 cases handled, including as part of a pre-launch trial, Moorepay's employment law advice service has helped businesses reduce their risk of receiving a tribunal claim by 33%. In the event that employers find themselves at a tribunal hearing, the chances of successfully defending the claim increases by threefold for those using the Moorepay service.

Andrew Weir, head of employee relations and advocacy at Moorepay stated: "The service and retainer fees can be tailored to the individual company's needs and likely demand for ongoing solicitor support. We can also create packages tailored for larger firms that have HR and legal departments and need additional specialist support, to more fragmented businesses that may be operating across multiple sites with a need for a centralised solution."

Home-workers and work-related injury claims

ACCORDING TO the Office for National Statistics, 50% of the UK workforce is expected to work remotely by 2020, which suggests employers will have to take greater care of their staff working at home or face an increasing number of claims for muscular-skeletal disorders (MSDs). In the UK today, 1.4 million workers are suffering from work-related ill health; MSDs represent 41% of all employment ill health cases; and 156,000 new cases were reported last year.

Anticipating the increase in MSD claims due to poor working conditions in employees' homes and their use of laptops outside the office in places such as airports and coffee shops, David Tait, partner at Clyde & Co and an expert on occupational diseases, comments: "Organisations will need to take greater care that their people are not harming themselves through their use of laptops and viewing display screens in sub-optimal conditions."

Cyber security guidance for pension schemes

THE PENSIONS Administration Standards Association (PASA), the independent body dedicated to driving up standards in pensions administration, has published guidance providing practical support for trustees in formulating a robust and effective review of how they safeguard their scheme from cyber security issues (<http://bit.ly/2IHgeu6>).

Chris Connolly, chair of PASA's eAdmin Working Group, said: "Our guidance has been designed as a practical means to help identify where all risks and responsibilities lie, enabling schemes to put together a robust and effective plan of action to be taken should the worst unfortunately happen."

AE – what next?



Henry Tapper, director at First Actuarial, discusses contributions and doesn't want to see momentum lost

We have got so used to automatic enrolment (AE) contribution rates going up as phasing unwinds that it's quite disappointing actually to think we have no further challenges on the horizon.

The government, in its 2017 AE review, promised to introduce a pounds-one system, so that everyone is 'in' no matter how little they earn. However, there is no date fixed for this change and at the recent Payroll and Reward Conference, the Pensions Regulator could give no update.

I was co-presenting with the Pensions Regulator at this event and could scan the audience for reaction. It's fair to say I saw and heard considerable frustration from delegates keen to see not just the abolition of the contribution-free lower earnings band but also an increase in the current 8% minimum contribution.

That there is scope to increase employee contributions there can be no doubt. Around 1,200,000 of those enrolled are currently paying not the promised 4% rate but the full 5% employee contribution – being denied the promised 1% government incentive. Since many on low earnings are not getting the promised tax relief and are not opting-out, the government can be encouraged that there is scope for higher contributions if it chooses to raise rates.

But I doubt there is much appetite in departments other than the Department for Work and Pensions (DWP) for any mandatory increase in employer contributions. The reforming zeal of Steve Webb seems a long time ago. Since his departure the role of the pensions minister has been downgraded to a junior position and while AE has been bagged a success, it is clearly not a Brexit-buster.

The question of increasing contributions is now one for employers. It is within an employer's gift to increase their

contributions unilaterally, though at a time of low wage inflation it is a brave employer that has required higher contributions from staff. With the vast majority of employers operating at the AE minima, staff are already being asked to cope with considerable contribution increases.

...momentum created by the statutorily required phasing of contribution rates being continued voluntarily by employers

The question now being asked by the DWP and pension providers is what scope there may be to see the momentum created by the statutorily required phasing of contribution rates being continued voluntarily by employers. There are various ways that this can be achieved, and I'll explore just three.

- The first and most painless is salary sacrifice which has been around a long-time but is due a revival of interest now so many staff are paying gross 5% of band earnings to their pension.
- The second is the use of innovative contribution structures, such as matching, where employers offer to pay more into a workplace pension if the staff member does as well. Generous matches can be 2% for every 1% non-statutory employee contribution. Most matching is a 1-for-1, or the rather ungenerous 0.5% for 1%.
- The third is one that encourages staff to contribute more, without the fiscal stimulus of salary sacrifice or the extra

reward of matching. The best way of achieving this is through what is billed as financial education in the workplace – though 'financial education' can be a euphemism for hard-selling from insurers keen to make workplace pension schemes commercially viable.

What is evident is that staff are reluctant to pay more into a workplace pension unless they are clear where their money is going and how they can get it back later in life.

Younger people are increasingly concerned that their money is invested in a socially responsible way and there's growing evidence that if they understand and like their investment strategy, they will choose to save into a workplace pension.

As people get older, thoughts understandably turn from investment to disinvestment and the spending of cash. Research by AgeWage has shown that as people near the end of their working careers, their principal interest is in understanding historically what has worked for them. Older people will contribute to workplace pensions, but their motivation tends to be about efficiency in terms of tax. Increasingly, consultants are reporting that people in their fifties and sixties are finding ways to recycle their wealth through pensions making use of the various pension allowances available to them.

Pension freedoms and AE have revolutionised the importance of pensions to employers' reward strategy. Workplace pensions are now expected rather than encouraged and pension awareness is higher among both employers and employees.

The momentum that has been created by these two initiatives could run out. I hope it doesn't and that readers of this piece will feel inspired to explore some of the ideas within it. ■

Why so complicated?

Ian Neale, director at Aries Insight, explains why and how pensions has become so complicated



Workers and employers pay contributions into pension schemes building funds out of which the schemes pay money to the workers to live on in retirement. What's complicated about that?

The answer in part is all the rules and regulations that encumber the process. Fifty years ago, however, pensions legislation hardly existed: just 29 pages in the Income & Corporation Taxes Act 1970. Even by 1988 it was still only 57 pages. However, the Inland Revenue (now HM Revenue & Customs (HMRC)) enjoyed wide discretion in interpretation, and its published guidance was already becoming very complicated.

Tax legislation sets the ceiling; social security law the floor. Prior to the Social Security Act 1973 that introduced preservation, there was no protection for pensions. The remorseless deluge since was fuelled by contracting-out; the clean-up operation – reconciliation of and now equalisation for guaranteed minimum pensions – will go on for years.

The 'Maxwell' scandal triggered the massive Pensions Act 1995, introducing sweeping new controls with a regulator (the Occupational Pensions Regulatory Authority), multiplying trustees' responsibilities. The Welfare Reform and Pensions Act 1999 introduced stakeholder pensions and pension sharing on divorce – arguably the most spectacularly tangled web of legislation ever woven. Pensions legislation twenty years ago had grown to 2,000 pages. Who could remember it all?

Then in December 2002 the government published proposals for a genuinely radical simplification of pensions tax legislation. This result was 180 pages in the Finance Act 2004: everything was codified; gone were uncertainty and inconsistency. Pensions were going to run on rails.

Although the real world is not amenable to being codified in a rigid framework of

prescriptive laws, politicians were sold on the idea. Nevertheless, pleas for reasonable exceptions multiplied. Every situation had to be covered by law, because HMRC discretion was a thing of the past. Together with several thousand pages of official guidance the result was an administrator's nightmare.

...consequently, in pensions 'the past is never history'...

In just the last fifteen years we have suffered 21 finance acts, 7 pensions and pension schemes acts and over 1,000 new sets of regulations affecting pensions. One experienced pensions lawyer has estimated the number of pages of pensions legislation in force now at around 160,000.

It's not just the sheer volume we have to cope with: with modern IT that might be manageable if it was not being amended constantly, with so much conditionality attached, or if it was not written in such a convoluted style.

The prevailing Treasury belief that pensions are uniquely (and very generously) tax-privileged (rather than tax-deferred) arrangements has led to ever-more frequent tinkering. A particularly egregious example of legislative incontinence leading to unnecessary and indeed unworkable legislation is the 'tapered annual allowance' introduced from 2016–17.

Trust in pensions is in short supply. Regulators behave more like police than facilitators, and constantly demand new powers. The cost of compliance is a serious burden. A blame culture in which fault has to be penalised and compensated creates a desire on the part of industry for certainty in detailed regulations, in preference to the unpredictable whim of regulators who might be tempted to use hindsight.

There are other reasons, of course. Pensions are property rights, politically very difficult to abrogate once accrued; so, at every tightening of the screw, a new layer of protections is required. New rules generally cannot be applied retrospectively; consequently, in pensions 'the past is never history'.

The voluntary nature of UK pension provision up to the arrival of auto-enrolment in 2012 is another reason for the enduring complexity. Considerable scope for sponsoring employers to make their own scheme rules in the past has led to infinite variability, and consequently myriad combinations of circumstances, some impossible to anticipate.

Pensions are a long-term proposition: some schemes have existed for almost a century. It seems axiomatic that the governing legislation ought to be similarly based on a long-term political consensus. Everyone might then have more confidence in saving for the future. But we do need more certainty if we are to agree to lock away our money until at least we reach age 55.

That magical moment is the earliest most people are allowed to break open their money purchase pension pots, since the 'pension freedom' stable door was flung open by the chancellor of the exchequer George Osborne five years ago. Regulators are still getting to grips with what happened, including rounding up the scammers who spotted people with huge amounts of money looking for some more attractive alternative to annuity purchase.

This year the Money and Pensions Service has been launched, with a remit to get us all actively engaged with saving for retirement. A good start to rebuilding the necessary trust in pensions would be legislation we can all understand. Indeed less prescription, more discretion and a broad-brush approach all round might be better. ■

Pension news

New round of pension compliance checks

IN MAY, The Pensions Regulator ('the Regulator') announced that in the weeks over the summer a new wave of compliance checks are being targeted at employers across the UK considered to be non-compliant with their automatic enrolment duties. The Regulator is using data to pinpoint specific employers suspected of breaking the law, including those that fail to put staff into a pension scheme or that make nil or incorrect pension contributions.

It is mandatory for employers to take part in the inspections, as obstruction of an inspector and failing to provide information when required to do so are criminal offences. Non-compliance could also result in fines or court action.

The Regulator's director of automatic enrolment, Darren Ryder, said data and intelligence streams enable it to detect potential non-compliance and take swift action against individual employers which "allows us to target our resources in a very focused way as part of our role to protect pension savers.

"We know the vast majority of employers are doing the right thing for their staff, however there are a small minority who persistently ignore their responsibilities. They can expect a knock at the door from us and enforcement action."

The Regulator will also be directly contacting other employers suspected of non-compliance by phone to validate the information held related to them meeting their duties, to ensure they are complying fully.

State pension errors

IN RESPONSE to a letter from Sir Steve Webb, director of policy at Royal London and This is Money, Guy Opperman MP, the pensions minister, recognised that "there is a significant problem" with the state pension forecasts produced by the Check your State Pension online service provided by the Department for Work and Pensions (DWP). It is estimated that since 2016, when the online service went live, 360,000 forecasts – 3% of the total – have misstated the pension the worker would receive.

Opperman indicated that those "with a particularly complex work history, where they have transferred between defined benefits schemes, may find that there is a difference between their online forecast and any paper forecast they receive...". Asserting that "...HMRC records can never be perfect – there will always be a residual level of error in the system", the minister claimed that "HMRC have increased the accuracy of National Insurance records and reduced the number of cases requiring corrective action in advance of state pension age from 10 per cent of claims in 2013–14 to 3 per cent in 2018–19"

The DWP say "that a small proportion of online state pension forecasts may have been affected by errors", and that "officials are working urgently with HMRC to make sure this problem is resolved as quickly as possible."

Impact of the right default fund

RECENT RESEARCH by the Tax Incentivised Savings Association (TISA) suggests pension fund performance is a significant factor when it comes to saving for retirement. According to TISA, a 1% increase in investment fund performance is equivalent to a 3% increase in contributions over a fifty-year period. However, most employees are invested in 'default funds' which offer hugely varying levels of returns, ranging from 3.4% to 11.9%.

To illustrate the impact of a performance uplift in monetary terms, if someone on a £30,000 salary invested in a pension fund with an annual growth rate of 3.4%, their fund would be valued at £153,600 after fifty years. Comparatively, if someone on the same salary invested in a pension scheme with an 11.9% annual growth rate, their fund would be valued at £2,271,200 over the same period.

Renny Biggins, retirement policy manager at TISA, said: "We would like to see providers, employers and financial advisers adopt a more holistic approach when selecting a default fund."

Updated pension scams code

THE PENSION Scams Industry Group – the voluntary body set up to support trustees, providers and administrators in combating pension scams – has updated its *Combating Pension Scams – A Code of Good Practice* (<http://bit.ly/2WV0z4D>). Key highlights of the updated code, which reflects developments and changes that have affected the industry over the last year, include:

- introduction of the cold calling ban
- inclusion of the Money and Pensions Service
- the rise of claims management firms and impact on the industry
- revised action fraud reporting guidance.

Nicola Parish, The Pensions Regulator's executive director for frontline regulation, said: "The updated code will allow providers to more easily understand how they can help to prevent savers losing their funds to criminals."

Cyber security guidance

THE PENSIONS Administration Standards Association (PASA) has published guidance for pension schemes to provide practical support for trustees in formulating a robust and effective review of how they safeguard their scheme from cyber security issues. The guidance (<http://bit.ly/2Rm42Db>) covers five main sections: risk assessment, governance, risk management, controls and incident management.

Chris Connolly, chair of PASA's eAdmin Working Group said: "Our guidance has been designed as a practical means to help identify where all risks and responsibilities lie, enabling schemes to put together a robust and effective plan of action to be taken should the worst unfortunately happen."



Work-life integration

Nicole Bello, vice president of SMB and Channel Sales, EMEA at Kronos Incorporated, argues this is the future



With tight deadlines, conflicting schedules and the pressure to progress in your career, the modern world of work is stressful. In fact, work is the most common cause of stress for adults in the UK, with over half (59%) experiencing stress in the workplace.

With stress comes the need for release. At work that means either taking allotted breaks or adequate time off to rest and recharge. During that time employees are looking to spend time with family, friends, or on personal development or a hobby.

'Work-life balance', which is usually the term used to describe a clear delineation between work and personal lives, remains at the forefront of debate about workplace wellness. However, with the lines becoming more blurred, I've taken time to rethink this concept – with my unique situation at-hand – in order to more realistically balance the nature of work and personal life.

Of course, everyone's situation is different, and every day is different – so how can it be possible to strike a perfect balance between the two? There isn't a one-size-fits all solution when work commitments may dominate one day, and personal or out-of-work commitments may take priority on others. To me, it is all about being more fluid in the way we approach this subject. I call this concept 'work-life integration' – a term I live by – and as a people manager, I work with my teams on their own definition and what works for them.

Work-life integration is a concept based around having the freedom to choose when and where I can get work and life tasks done instead of the stark contrast of taking a full day or extended period of time off. In recent years, I've seen a huge

rise in desire from employees to work in a way that suits them and accommodates their lifestyles or their families. Recent research (<http://bit.ly/2Rl0hOT>) found that 79% of workers believe that working flexibly would make them more productive. It is clear from this that many are in favour of ditching the traditional 9–5 lifestyle in favour of a more malleable approach.

...freedom to choose when and where I can get work and life tasks done...

Typically, when discussing the need to make time for both work and personal commitments, people tend to assume this predominantly applies to employees who have children or families to care for. However, I strongly believe that work-life integration is applicable to everyone.

There are many scenarios in which work-life integration can be adopted: for example, if I have a personal commitment mid-afternoon – maybe I have a doctor's appointment, this only takes a few hours and I don't need an entire day off to do so – I work from home in the morning, log off during the appointment while clearly communicating to my team where I am and how to reach me, and then log back on when I'm available. Aron Ain, our chief executive officer here at Kronos, always says, "if working for Kronos is your number one priority, you've got your priorities mixed up", and he usually closes conversations by saying, "thank your families for me."

I and my fellow Kronites are lucky to work in an environment where family and personal needs are valued and encouraged to be put first. This is because we know that if employees are able to work their way, it will result in a happier more engaged employee which translates back to benefit the customer and larger organisation.

Building a philosophy of work-life integration means making some cultural changes to an organisation, which can take time. Technology can be a powerful enabler to provide the necessary tools and platforms to get their work done efficiently and effectively, regardless of when and where they are doing it. This can be anything from access to work systems remotely, to having the right communication tools in place to aid collaboration between managers, employees and larger teams.

Ultimately, work-life balance is still the more widely known concept, and organisations are still very much at the start of their journeys when it comes to work-life integration. However, it is time employers began introducing this concept of greater working fluidity as it can help to build a satisfied, productive and well-balanced, empowered workforce. Employers that listen to the desires of the modern employee and adapt their approaches accordingly will in turn be the most successful in retaining staff and attracting new talent. I know my employer has listened, and the proof is in the pudding – we are certified as a great place to work in every country where we have a significant presence, and we continue to provide the best service and innovation to our customers due to our happy and engaged employees. ■

Cyberpicketing, redundancy, causal link

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



Rogers V Picturehouse Cinemas Limited

Employers can often struggle with the protections afforded to trade union members on their payroll. This case offers some useful practical guidance by examining the extent to which certain acts are protected under the umbrella of trade union activities.

Ms Rogers, a representative of the Broadcasting, Entertainment, Communications and Theatre Union (BECTU), was employed at the Ritzy cinema in London. Disputes had been ongoing between BECTU and Picturehouse Cinemas Limited (the owner of Ritzy and several other cinemas across the city) about implementing the voluntary London living wage and other benefits for staff.

The claimant had discussions with another union representative at Picturehouse where the prospect of 'cyberpicketing' was brought up. This would involve getting people to bulk-book cinema tickets with no intention of buying them by placing them in their online basket, preventing them from being sold for up to an hour. Following this, Rogers emailed a group of employees to inform them of the discussions and encourage participation, without setting out any specific plan of action.

The employer came across this email

when someone left their laptop open at work. They contacted BECTU about this, which confirmed they had not been involved in the discussion and the union proceeded to write to staff informing them that cyberpicketing was potentially unlawful. A disciplinary procedure took place which resulted in Rogers being dismissed for gross misconduct. Despite arguing that she didn't initially know how potentially serious cyberpicketing was prior to BECTU's email and that she regretted her actions, the employer ruled her behaviour was extremely serious and intended to cause damage to the company.

Rogers brought a claim of automatic unfair dismissal to an employment tribunal (ET) on the grounds that she had been dismissed for taking part in trade union activities, citing section 152 of the Trade Union and Labour Relations (Consolidation) Act 1992.

The ET ruled in favour of Rogers as the meeting had been arranged in advance of a gathering of union members the day after strike action. They also considered the sending of the email to be in line with union activities, as the claimant was fulfilling her duty as branch secretary by summarising the discussions and providing information to members who were unable to be present at the meeting.

Importantly the ET noted that meetings

do not have to be arranged by the union themselves for the protections to apply under section 152. Also, the fact that something was discussed that was not acceptable to the employer, or that discussions involved something that was potentially unlawful, does not make it cease to be trade union activities.

In summary, the ET found the claimant's actions to be 'an error of judgment', rather than 'unreasonable, extraneous or malicious' which would take the behaviour outside current protection and render the employee liable to disciplinary proceedings. Therefore, employers will need to apply this way of thinking in the future when faced with potentially disruptive trade union activity.

South West Yorkshire Partnership NHS Foundation Trust v Jackson & others

This case looked at whether an employee on maternity leave suffered unfavourable treatment amounting to discrimination, after there was a delay receiving a letter informing her about a risk of redundancy.

Ms Pease had worked in the Trust's health and wellbeing service. Whilst on maternity leave, she chose to attend a redundancy meeting at work with her colleagues on 26 July 2016. The day after the meeting, the claimant and her colleagues were put on the 'at risk register' and were ultimately sent an email on 28 July 2016 by the Trust which required them to complete a re-deployment document as

...informing them that cyberpicketing was potentially unlawful...

part of the redundancy evaluation process.

The email was sent to Ms Pease's work email address which meant she was unable to read it as she had no access to her work email address whilst on maternity leave. However, she learnt shortly afterwards that she had missed this letter and contacted the Trust on 4 August 2016 to rectify the issue. At this stage, the Trust proceeded to send a copy of the letter to the claimant's private email address, which she completed and returned straight away.

Sometime after this, the Trust made a decision to make the claimant and several colleagues redundant. At this point, a claim was raised to an ET that the delay in receiving the aforementioned letter amounted to unfavourable treatment and maternity discrimination.

The ET allowed the unfavourable treatment claim and held that because the claimant did not have access to her work emails she did not receive adequate communication during the redundancy process. They ultimately determined that 'but for' her maternity leave the claimant would not have been subjected to unfavourable treatment and would have received the email at the same time as everyone else.

The Trust appealed this decision to the employment appeal tribunal (EAT) and whilst they agreed that the circumstances of the case did amount to unfavourable treatment, they disagreed with the reasoning of the initial ET. They went on to outline that the 'but for' test applied by the ET was an insufficient basis for determining discrimination. Instead the EAT explained that the correct test to apply in these circumstances was the 'reason why' test, which would allow the court to ultimately assess whether the claimant's maternity leave was the reason why she was treated unfavourably.

The EAT added that it first needed to be established if the maternity was on the mind of the Trust and if this influenced their actions. Because no facts had been produced which clearly demonstrated this, it could be argued that the unfavourable treatment simply amounted to an administrative error. Therefore, the EAT remitted the case back to the same ET to establish further facts and make a determination on this basis.

Overall, it is important to note that tribunals will determine whether any unfavourable treatment experienced by an

employee on maternity leave was due to her pregnancy, or some other unrelated reason. Therefore in these situations, it is incorrect to apply the 'but for' test.

To safeguard against potential claims employers should keep staff on maternity leave fully informed of any changes affecting the workplace, including promotion opportunities and redundancy decisions. This means contact details for the employee should be clearly established before the leave begins and any communication attempts should be followed up to ensure they have been received.

... employee's refusal to follow the instruction was not a direct consequence of her disability...

iForce Ltd v Wood

Here the EAT was tasked with determining whether there was enough of a causal connection between an employee's disability and conduct in order to support a disability discrimination claim.

This case concerned a warehouse operative who was classed as disabled for the purposes of the Equality Act 2010 due to osteoarthritis. The claimant believed that this condition worsened in cold and damp weather; a belief supported by her doctor.

The organisation took a decision to introduce a change in its working practices. This meant warehouse staff were required to work between benches in the warehouse and therefore move around the working area, rather than stay in one fixed position. The claimant refused to comply, as she believed moving to work at the benches closer to the warehouse's loading doors would place her in colder, damper conditions and exacerbate her osteoarthritis.

After hearing of these concerns, iForce proceeded to investigate by installing thermometers and found evidence to show that the claimant's beliefs were incorrect: the temperature and humidity levels were not materially different throughout the warehouse. Because of this, iForce did not accept that the employee had provided a reasonable explanation for her refusal and issued her with a final written warning,

which was later downgraded to a warning after the organisation accepted her actions were likely due to her worry and stress.

Despite this, the employee proceeded to bring a claim for disability discrimination to an ET. She cited section 15 of the Equality Act 2010, claiming that the issuing of a final written warning had subjected her to a detriment because of something arising as a consequence of her disability. Whilst the ET accepted that the employee had been mistaken to believe she was going to be placed in colder, damper conditions, they stated that her refusal to accept the instruction was solely due to a genuine belief that it would have an adverse impact on her due to her disability. Therefore, to issue a written warning for this would qualify as discrimination arising as a consequence of a disability.

However, iForce proceeded to appeal this decision to the EAT which overturned the ET's original ruling. They outlined that, when determining whether the employee had suffered a detriment as a consequence of her disability, there needed to be a connection between her refusal to follow management instructions and the disability.

Although the claimant was right to state working in colder, damper conditions would exacerbate her condition, the employer had actually provided evidence to show that there would be no difference in her working conditions. Therefore, the employee's refusal to follow the instruction was not a direct consequence of her disability as no causal link had been established that linked her disability to her belief. It is worth noting that the EAT did agree that this determination may not be the case where an employee's mistaken perception is directly affected by their disability; however, they confirmed that this did not apply in this situation.

This outcome demonstrates how the onus is placed on employees to clearly establish a causal link between the action that led to the detrimental treatment and their disability. Alternatively, where an employee mistakenly feels they have been subjected to a detriment, they will need to prove there is a causal connection between the disability and the erroneous belief. Employers should remember to take care when making changes to the working environment of a disabled employee and be prepared to make reasonable adjustments where necessary to avoid potential discrimination claims. ■



Preventing employees discussing their salaries

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



The thought of staff openly discussing salaries with each other can sometimes be uncomfortable for their employer, as such discussion has the potential to cause significant unrest within the organisation. For this reason, you may look to actively prevent or discourage salary discussions at work by implementing a number of measures.

Perhaps the most obvious way of preventing staff from discussing their salaries would be to implement a salary, or pay, secrecy clause in their contract of employment. These clauses can be constructed to explicitly outline a requirement for staff not to mention their pay at work or risk facing disciplinary action. This provision should be fairly easy to include in all future contracts; however, you should approach with caution when looking to apply this to current staff. It is unlikely that any added restrictions will be well-received, and they could be difficult to introduce depending on the result of the required consultation period.

You also need to bear in mind that there are limitations to any pay secrecy clause as it will be unlawful to prevent employees from disclosing a difference in salary, if they are trying to ascertain whether an equal pay issue between male and female workers exists. This exemption means you would be unable to enforce pay secrecy clauses in this situation and any attempts to discipline staff could result in claims of victimisation if they can prove they were trying to identify an equal pay issue. Also consider that staff may be able to use equal pay as a fall-back excuse if they are ever caught

discussing salaries, even if this was never their intention.

...trying to ascertain whether an equal pay issue between male and female workers exists

At the same time, if you do find that staff are openly discussing pay you should consider where there may be scope for any equal pay claims. Remember that individuals do not necessarily have to work in the same role as a comparator to make an equal pay claim and may do so if the work is rated as equivalent or of equal value. Therefore, it is advisable to review your pay practices in these situations to ensure all staff are paid appropriately for the work they do.

Given the risk associated with pay secrecy clauses, you could look to take a softer approach to discourage salary discussions at work. Simply advising staff against discussing salaries during their inductions and any annual pay reviews may prove equally effective, especially when dealing with inexperienced staff who may be unaware of how sensitive the topic of pay can be at work.

Employees may be more understanding of this request, especially if it is explained that this is for the good of the working environment and to prevent

any unnecessary unrest at work.

It is fair to say that part of the intrigue for staff when it comes to discussing salaries is the prospect of finding out information that they were otherwise unaware of. Therefore, one way of preventing pay discussions would be to increase transparency around your organisation's pay practices. However, rather than broadcasting each individual's personal salary, you could introduce a 'pay banding' system so that staff have a sense of what salary comes with a particular job role, thereby dispelling any worries about unequal pay practices.

You should also remember that pay will always be an important and sensitive point for many employees and there may be times where individuals feel the need to raise concerns over their pay. In these situations, it is important that line managers and human resources personnel remain open and approachable, giving staff plenty of opportunity to discuss their concerns in a confidential manner without needing to talk about this between themselves.

Ultimately, whilst you may be concerned at the prospect of employees discussing their salaries at work, you should keep in mind that you will have nothing to fear from this as long as your pay practices are fair and non-discriminatory. At the same time, you can look to discourage any discussions if you are concerned of the negative impact this will have; and staff are far more likely to be receptive to this if they are comfortable that your pay practices remain fair. ■



**PORTFOLIO
PAYROLL LTD**

Fill your vacancy or find
your next career move at
www.portfoliopayroll.com

YOUR CAREER IS OUR CAREER

EXECUTIVE SOURCING EXECUTIVE PAYROLL TALENT

PAYROLL MANAGER

Up to £45,000 London Ref: 960516

A well-known Financial services business require a Payroll Manager to be responsible for their UK and International payrolls (approx. 8-10 countries). Working closely with in-country vendors & with the UK payroll provider, you'll ensure all compliance and adhere to all reporting deadlines. This role can offer a fantastic benefits package along with a great location in Central London.

PAYROLL PROJECT ANALYST - HOT JOB

Up to £70,000 Hertfordshire Ref: 960164

A unique and rare permanent opportunity has arisen working for a leading business based in Hertfordshire. This role focuses on rolling out new initiatives to improve the efficiency of the global payroll function to ensure that maximum output is achieved. You'll liaise with senior stakeholders & promote continuous improvement across the business.

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

SENIOR PENSION PAYROLL ADMINISTRATOR

£20,000 - £25,000 Leatherhead Ref: 960414

A rapidly expanding company in Leatherhead is looking for a Payroll professional to manage both Payroll and pensions for 1000+ employees on a monthly basis using an in-house system. This role will be very autonomous within a stimulating and friendly environment with opportunities for growth.

PAYROLL & PAYMENTS ADMINISTRATOR

£20,000 - £25,000 Reading Ref: 960119

A leading Accountancy in Reading require a Payroll & Payments Administrator to join their business. You'll be managing bank payments and planning scheduled payments for Directors and Partners. In return the company offers a competitive remuneration package. Parking is available on-site as well as close public transport links.

PAYROLL MANAGER

£30,000-£32,000 High Wycombe Ref: 960526

An organisation in High Wycombe are recruiting for a Payroll Manager to sit within their HR and Finance dept. You'll be responsible for a high volume payroll from start to finish plus be involved with managing some benefits. To be considered for this role, candidates will need to have previous experience in manual calculations and previous experience using an integrated HR and Payroll system.

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

PAYROLL SUPERVISOR

£30,000 - £36,000 Manchester Ref: 960400

One of the UK's Top Accountancy practices in Manchester is looking for an experienced Payroll Supervisor to join their small but lively team managing a portfolio of 80 clients. The role requires you to bring in new clients while supervising a small team expected to process payroll accurately. You'll benefit from experience processing a high volume ideally working within a bureau and will need to know STAR.

PAYROLL & PENSIONS OFFICER

12 Month FTC (Plus Handover)

£26,000 - £31,000 Manchester Ref: 960467

One of Manchester's local government body's is looking for an experienced candidate to join as a Payroll & Pensions Officer responsible for a 900+ monthly payroll. You must have very strong Excel and ability to do manual processing plus experience with SAP and Epay factor is advantageous. This role comes with a fantastic benefits package and options for flexible working.



Contact one of our specialist recruitment consultants to fill your vacancy or find your next career move!

LONDON 020 7247 9455

1 FINSBURY SQUARE, 3RD FLOOR, LONDON EC2A 1AE



www.portfoliopayroll.com

MANCHESTER 0161 836 9949

THE PENINSULA, VICTORIA PLACE, MANCHESTER M4 4FB



recruitment@portfoliopayroll.com

www.portfoliopayroll.com/salary-survey



WE ARE RATED 9 OUT OF 10





Events Horizon

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

| Course | Date* | Location |
|---|--------------|------------------------|
| Automatic enrolment and pensions for payroll | 9 August | London |
| | 27 August | Bristol |
| | 10 September | Birmingham |
| Payroll and HR legislation update (50% off for members) | 25 July | Leeds |
| | 1 August | Manchester |
| | 2 August | Newcastle |
| | 8 August | London |
| National Minimum Wage and other worker entitlements | 12 August | Glasgow – new location |
| | 29 July | London |
| Holiday pay and leave | 15 August | Birmingham |
| | 2 August | London |
| | 19 August | Birmingham |

| Course | Date* | Location |
|---|--------------|------------|
| NEW COURSE – Computerised payroll level one | 15 August | All online |
| | 16 September | |
| NEW COURSE – Computerised payroll level two | 15 August | All online |
| | 16 September | |
| Salary sacrifice and other optional remuneration arrangements | 2 August | London |
| | 19 August | Birmingham |

Dates are subject to change. More dates are available at www.cipp.org.uk/payroll-training-listing

Have you considered in-house delivery of training courses?



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

Let us know by visiting cipp.org.uk/trainingreg. New dates and locations may be added if there is enough interest.

Scottish National Conference and Exhibition 2019

5 September 2019 | Dynamic Earth, Edinburgh

We are delighted to announce the return of the CIPP's Scottish National Conference on 5 September 2019. This prestigious event will be held at Dynamic Earth, a venue superbly located in the heart of Edinburgh's World Heritage Site.

Join us for a day full of interactive and engaging workshops and seminars. This is your opportunity to hear from our guest speakers and learn all about the latest changes and developments in payroll, pensions and reward. On the evening you are invited to meet with other payroll professionals and celebrate National Payroll Week at a drinks reception in the Dynamic Earth galleries.

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



Doing more with employee data

Datagraphic's Glyn King discusses how to do more even if your systems are holding you back



Providing an excellent employee experience is just as vital to your organisation as customer experience is. Highly personalised, accessible information is expected. You have a wealth of employee data available at your fingertips – you just need the tools to bring it to life.

In our digital world, employees' expectations are becoming more demanding. They want a social, mobile and consumer-style experience from their employers. And this isn't just expected from the human resources (HR) department – it's expected from every touchpoint within the organisation.

The payroll department is more than an operational function, making sure employees are paid accurately and on time; it's also a communicator. The payroll team interacts with employees on a daily basis, whether that's through inbound queries or outbound documents. With employee data at your fingertips could you be doing more to engage, educate and communicate with your employees?

● *What's stopping you from doing more?*

Is it because your legacy payroll software limits the output of employee data? In the recent *CIPP Future of Payroll* report ('the Report') almost 58% of respondents to the survey have a payroll system that is five or more years old. Older payroll systems were not built with a 'digital first' mind-set and often only outputting data as static information with no flexibility.

Is it because your systems don't integrate with other internal systems such as HR and finance to be able to gather all the information you need? Results from the Report found that almost 50% of respondents said their payroll system doesn't integrate, or doesn't integrate well, with either the HR, finance or pension software.

Or is it simply because you don't have the internal resource to create engaging documents? We all understand the demands and pressure your teams face.

Communicating payslips, P60 certificates and other pay-related documents is time-consuming and a costly distraction from the work you want to focus on.

● **Unlock the potential to do more** – These barriers shouldn't stop you from doing more. You can still provide highly personalised, engaging communications without changing your existing payroll software. There are third-party solutions that seamlessly integrate with any payroll software to automate, transform and output employee documents.

...could you be doing more to engage, educate and communicate with your employees?

● **Doing more with highly personalised communications** – The best way to engage with employees is to send information that is relevant to them. There are third-party solutions that can set rules and logic based on the data you provide. So, for example, based on an employee's pay grade they only see certain messages that are relevant to them. Another example could be for reward options. Why offer childcare vouchers to an employee who doesn't have any children?

Providing relevant information to individual employees will improve engagement and hopefully reduce queries that come to the payroll department.

● **Doing more with channel choice** – The demand for digital only increases as millennials and gen-Z enter the workforce and older generations are moving online. Payroll has made progress in this area with over 60% of organisations offering a digital payslip (see the Report). However, few

are achieving 100% digital with many still printing payslips.

It's important to offer more than one channel, yet this shouldn't be a fragmented process. Seek solutions that take multiple data files and look for markers in the data to automate the distribution for online or print: all through a single provider.

Don't forget to choose a solution that distributes employee documents securely. In the Report just over a third (35%) of respondents said they use email to deliver payslips. Even though email is considered a step towards digital, this is not a secure method of distribution and in my opinion should only be used to notify employees a document is ready to view online, or to communicate non-personalised and non-sensitive information.

● **Doing more with data insight** – According to the Report, lack of data insight is a top three issue for payroll. Either current payroll systems don't have good enough reporting capability, or there is a lack of knowledge on how to present the data.

Analysing the way employees interact with the important documents you send is a great way to not only improve the delivery and distribution for employees, but also will enable your teams to work more productively and engage more effectively with employees. For example, learning when and how employees view their documents means you can capitalise on this opportunity to send other important messages or documents.

● **Doing more with employee data** – Ultimately for the payroll profession to evolve and become more strategic it needs to use technology and automation tools that can help deliver an improved employee experience, whilst also releasing the payroll team to focus on higher-value work.

And the reality is this is achievable today! You don't need to invest in new software or lengthy change projects. There are third-party suppliers – like Datagraphic – that can unlock your potential to do more. ■

How blockchain preserves peace of mind for personally identifiable information

Ian Smith, chief executive officer and founder of Gospel Technology, explains why blockchain can transform the way businesses, HR and payroll work with personal data



Data is central to business operations and success in today's digitally-dominated world, and HR and payroll are no exception. From employee bank details to the addresses of next of kin, personally identifiable information (PII) is something that HR and payroll professionals are constantly managing.

With the introduction of the General Data Protection Regulation (GDPR) last year, it is no surprise that this sector in particular is under increased pressure to ensure data stays secure, with trust and compliance being central to both job functions. The implications for not maximising regulatory adherence and consumer data privacy rights now include substantial financial penalties, as well as major reputation damage.

However, this is becoming increasingly challenging due to today's evolving landscape, which calls for data sharing and digital collaboration to remain competitive and efficient. These demands combined with society's data hypersensitivity and the growing threat of cyberattacks, highlight the significant challenge that HR and payroll professionals are facing today.

The value of PII data

Data is critical to every industry, and PII constitutes a great deal of this data

across all industries. In the last few years we have seen a significant increase in new technologies such as cloud-based software-as-a-service (SaaS) solutions or communication tools that facilitate the collection and sharing of data, to maximise its value and reap the many benefits associated with sharing internal data across different teams and partners. HR and payroll being no exception, where PII is used to identify, contact, locate and interact with individual members of staff, which allows them to provide a personalised and empathetic employee experience.

...highlight the significant challenge that HR and payroll professionals are facing today

In today's highly competitive business landscape, collaboration is essential to maximising opportunities. However, the risk of sensitive information falling into the wrong hands or cyber criminals exploiting loopholes in security processes means businesses are being overly cautious. For

many businesses, this has meant deploying zero-trust solutions which restrict access, negatively impacting business agility and collaboration. This approach is proving ineffective as can be seen in the repeated headlines around data breaches – a new approach is needed that secures PII data effectively while maximising its value, and the employee experience.

Is it practical to place trust in ourselves?

It has quickly become clear that employees trust their employers to ensure the ethical use of their data, which means businesses have to deploy the appropriate solutions and processes to protect PII and ensure it is used in the right way. What is often overlooked is that there is a moral obligation (as well as a regulatory need) for HR and payroll professionals to make sure they are keeping sensitive data secure at all times.

As such, many businesses have invested not only in security software, but also in training programmes in an attempt to boost their employees' security skills and establish best practices to limit human error and reduce internal threats. However, eliminating all human error is very difficult, for example an employee sending an email to someone by accident might not be a problem in and of itself, but if this email included the

bank details of all employees a disgruntled employee could then decide to leak this information, which would be a serious issue. It only takes one small mistake for a data breach to occur, making it extremely difficult for HR and payroll professionals to ensure data security in today's digital landscape.

The key to data security

Like many other sectors, kickstarting change in HR and payroll can be a difficult process. However, with the volume of data being generated in today's omnichannel digital world continuing to increase, businesses cannot afford not to have the right processes, policies and solutions in place.

When it comes to securely storing and processing employee data, HR and payroll departments need to look further for solutions that will enable them to navigate the new realities of today's digital workplace. This will likely involve updating the existing technology behind many data processes. For many businesses the problem is that the technology underpinning many data processes was not designed to cope with the exponential

volumes of data that are now being generated, alongside the innovation of new applications and communication channels, which when combined result in data inadvertently escaping through the cracks.

...mitigating the threat of a data breach but also increasing service efficiencies and business agility

Currently, when businesses do take steps to secure their networks, it's often a defensive process that involves plugging holes as they appear, rather than being able to deploy proactive measures. On too many occasions, cyber-criminals get to these cracks first, which is why cyber-attacks and data leaks are rarely out of the headlines. If they ever want to escape this cycle, businesses need a proactive data management solution that is designed for

today's digital workplace.

This is where decentralised technology such as blockchain can have a major impact. Distributed ledger technology (DLT) adds a much needed and unprecedented infrastructure layer of data access and security, which can be applied to many of the challenges facing HR and payroll professionals today.

DLT technology creates a single version of the data which is near impossible to tamper with or corrupt, meaning organisations can be sure that they are accessing the latest single version of the data. Control of this data can then be retained whether shared between employees internally (intra-enterprise) or between partner companies (inter-enterprise).

This architecture creates a network of trust for secure data collaboration, not only mitigating the threat of a data breach but also increasing service efficiencies and business agility. The potential is there for businesses to truly transform the way they work with personal data, increasing the levels of privacy and data compliance, with HR and payroll being at the centre of it. ■

Don't wait until it's too late

PAYROLL ASSURANCE SCHEME

With penalties for non-compliance of up to £10,000 per day*, can your business afford not to be CIPP Payroll Assurance Scheme accredited?



Visit cipp.org.uk/PAS, email compliance@cipp.org.uk or call 0121 712 1000 for more information.





Benchmarking

Don Macarthur, CIPP consultant, encourages your participation



According to the Rolling Stones, “summer’s here and the time is right for fighting in the street, boy”. But not for payroll professionals of course: summer for them is the time to complete the CIPP benchmarking survey.

Hopefully by the time this issue of *Professional in Payroll, Pensions and Reward* comes out many readers will have completed the survey already or will have started to collate the answers from different teams in the organisation. But for those who haven’t yet started there’s still time – just! Access the survey at cipp.org.uk/benchmarking today, before it’s too late.

What’s the point?

The origins of the word ‘benchmarking’ are in mediaeval masonry or surveying or marksmanship, depending which dictionary or encyclopaedia you read. In each of these arenas the purpose of a benchmark was to help you to produce precisely the same result time after time. The mason wanted to carve every stone block identically, the surveyor wanted to keep placing his levelling rod in exactly the same place, and likewise the marksman wanted to hit the target every time.

It is quite an easy step from there to understand the modern application of the word to businesses that want to be sure that they’re performing as well as, or better than, the competition. To quote one definition, “benchmarking is the process of comparing your results to peers in your industry”. Having some benchmarks for your peers, or your industry, enables you to get a picture of how well you’re matching

up, and what sort of targets you can set yourself to do even better. I saw this some years ago when working with North Sea oil companies that were always keen to compare returns on investment or other types of cost-benefit ratio.

...benchmarking is the process of comparing your results to peers in your industry

What’s the problem for payroll?

There can be no doubt that benchmarking could be a very useful tool for payroll managers, but in practice this is much tougher to achieve than in other industries and professions. The oil companies I worked with may have differed a bit in size, but in other respects they were ‘peers’: their operations were pretty similar, and their benchmarking results were therefore pretty comparable. But payroll teams do not all run similar operations: they are not all ‘peers’. They serve every type of business or industry, their employee numbers can range in size from single figures to almost half a million, they outsource different tasks or none, etc etc.

So, the CIPP’s first challenge is to work out ways of segmenting the payroll industry into groups with similar characteristics, because only then can we start helping the members of those groups – ‘peers’ – to compare or benchmark their financial and

operational performance. That’s frustrating, because it means having a year or two more when the survey results won’t be as useful as they could be. But the potential rewards for the payroll community from getting this right are enormous, and I would urge readers to support the 2019 survey as strongly as possible to help us reap those rewards sooner rather than later.

What sort of rewards might we expect?

The current set of questions homes in on several areas where comparisons could prove really illuminating. And from a quick review of some of these it is obvious that the potential areas for delving deeper are limited only by our imagination.

What about payslip accuracy for example? Is there any correlation between error numbers and particular types of payroll?

Leaver overpayments are attracting very close attention these days, which is hardly surprising given the amounts of money which need to be recovered and the costs involved in pursuing these. The volumes can of course be distorted by attrition rates or other features: if staff turnover is high for example, the ratio of overpayments to total staff levels is likely to be correspondingly higher. But these factors can be adjusted for, and we can then start seeing if the numbers or values of overpayments, or the amounts which can’t be recovered, vary with the type of employer.

We have not incidentally asked about overpayments to continuing employees this year. Is that right, or would readers appreciate information about these as well?

Every organisation can be liable to occasional data breaches, but are some types of payroll more susceptible to such failures? It will also be interesting to see whether particular breaches are more or less likely with electronic transmission than with paper.

The survey currently focusses on personal data generally and then on payslips sent to the wrong person, and on data wrongly received from elsewhere.

In the paper era payroll teams sometimes earned money from using payslips for advertising or in producing copy payslips or P60 certificates. Are people thinking of imaginative ways of replacing that lost income as paper gives way to online transmission?

But the biggest opportunities must be in comparing costs. Staff are of course the largest cost area for any business these days. The numbers clearly vary a lot, and understanding the factors behind the differences could be very useful. How for example are staff numbers affected by particular types of outsourcing? Or by industry sector? Do the particular features of public sector employers lead to different

staffing needs from those in the private sector or the charitable sector?

Moving on to other costs, we can assume for example that London-based teams will be paying more for office accommodation than those further away from the big cities, but is the picture as simple as that?

And so on, and so on.

What's changed for 2019?

We have made some significant changes to the question bank for the 2019 survey, learning from feedback from previous participants as well as trying to focus more clearly on our twin benchmarking objectives of identification and comparison. So, of the revised questions for 2019:

- **some are about identification** – distinguishing groups of payroll teams with similar characteristics, based on things like geography or industry or size or other features
- **some are about comparison** – telling us about volumes or values of events: overpayments or errors or costs for example, and
- some are about both.

Once we have collected the answers to these questions, we can use analysis tools to filter results to produce conclusions and help us further improve the survey for 2020. We shall at the same time seek feedback and ideas from those who participated in the survey, and here we have a big advantage over many business groups. Payroll professionals, as we all know, are always busy with their core tasks. Yet at the same time they are unfailingly ready to devote time and energy to help take the profession forward. The time available for informal consultation on the design of the 2019 questions was sadly all too brief, but the answers I received were amazingly thorough and thought provoking, and I want to express my thanks to those who found time to help us in this way.

So, please complete our benchmarking survey this year, whether you have done so in previous years or not. And please encourage payroll colleagues to do so as well. The more data we receive the more useful will be the results, and the faster we can move forward to produce better and more useful data still. ■

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:

- Explaining the importance of employment status
- Outlining the factors determining employment status
- Classifying different categories of workers
- Distinguishing different types of employment intermediaries
- Summarising the off-payroll working rules for employment intermediaries
- Summarising the recent changes to modern employment practices
- Outlining the various rights to work in the UK

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



Could benchmarking improve employment relations and reduce tribunal claims?

Jade Linton, senior employment law associate for **Thursfields**, explores whether and how benchmarking could reduce the risk of successful claims and improve employee relations



Form ET1 is the document no employer wants to see, as it particularises a worker's complaint. Even in circumstances where the employer is above reproach, the process of defending claims in an employment tribunal can cause a great deal of inconvenience, unwanted publicity and financial loss. Could benchmarking be the answer?

What is benchmarking?

A benchmark is a standard against which something can be measured. Through benchmarking, an employer can find the best performing businesses in their industry and compare processes such as key performance indicators.

Benchmarking enables employers to monitor the performance of businesses in industries similar to theirs and, if necessary, adopt their processes to achieve better results.

Benchmarking can work to expose weaknesses and celebrate strengths, and supporters hail it as a pivotal tool for continuous improvement and market resilience.

Tribunal claims

Benchmarking can highlight areas of concern which could trigger employment

tribunal claims. By being aware of this information an employer can take action to resolve the issues exposed.

... monitor the performance of businesses in industries similar to theirs and, if necessary, adopt their processes

For example, long-term sickness absence of employees can make an employer particularly exposed to claims of disability discrimination, constructive unfair dismissal and disputes over pay. By understanding that in comparison to their competitors there is an issue in a particular area such as sickness absence means an employer can focus on best practice including contact management, reasonable adjustments and absence trends. Of course, this success is dependant on those areas of risks once identified being corrected quickly.

That said, not all claims are foreseeable and often claims are based on unique

circumstances unavoidable by any scrutiny of trends amongst peer groups. Benchmarking is certainly not a cure for all but when used properly can provide data driven insight revealing peaks, trends and areas of weakness which if ignored could expose a business to claims.

Employee relations

Benchmarking can also help with employee relations in a number of ways:

- **Ensuring alignment with best practice** – An employer that advertises commitment to ensuring staff benefits are the 'best in the industry' would be expected to take a regular or at least annual review of what their industry peers are doing with benefits.

In an age where staff can compare potential employers against matters such as salary, staff satisfaction and benefits, benchmarking can help employers ensure they are in line with best practice and that they attract and retain impressive talent pools.

Though achieving best practice may not be possible for a business in financial difficulty an idea of what its peers are doing may assist it in making small, inexpensive changes to ensure staff are being given a fair deal across the market.

- **Tracking relevant data to ensure**

the maintenance of good employee relations – Human resources (HR) and payroll departments are usually the focal point for employee relations, navigating employment law and solving workplace issues, ensuring staff get paid and communicating core issues and values.

With such a big responsibility it is easy to forfeit proactivity whilst trying to resolve issues such as absenteeism and pay. Ensuring that relevant data is recorded, reviewed and managed systematically is always a good place to start. Tracking HR matters by spreadsheets has its benefits but being able to compare data across a pre-selected field (e.g. peer groups, companies of similar size or in the same industry) can ensure key decisions about staff are not made using only basic information.

Benchmarking can reveal the most common case types an employer faces and reveal how close each case is to completion. This level of transparency can help employers maintain good employee relations whilst providing easy access to crucial data to influence and support decision making.

Using case management systems to monitor and track issues such as attendance can help HR managers pinpoint trends and future problems within the business. Recording employee data in this way enables the department to track patterns of behavior and thus provide teams with advanced warning and help them to make changes to internal processes.

... employers can harness data in a way which highlights areas of risk and safeguards the wellbeing of staff

Benchmarking and beyond

A benchmarking exercise is only as good as the team willing to learn from the data. A periodic review of staff satisfaction every year will achieve little if in the intervening

period the data from the exercise is not scrutinised, weaknesses identified, and strategies implemented to aid improvement on an ongoing basis.

Benchmarking is a useful facilitator, encouraging employers to think differently about the challenges they face and to prepare for challenge(s) on the horizon, by learning from similar organisations that have gone through comparable pressures.

By examining employee relation cases across the board, employers can harness data in a way which highlights areas of risk and safeguards the wellbeing of staff. Interrogating the data derived from benchmarking not only assists proactivity but helps to create a solid employee experience where issues can be identified before they come to a head.

While there is no guarantee benchmarking will stop an ET1 from haunting your desk, it can ensure matters are dealt with proactively and not reactively. Benchmarking can expose weaknesses limiting exposure to employment breaches and manage employees making it a useful tool, but not a complete cure for all. ■

AGM19 Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of the Chartered Institute of Payroll Professionals will be held at 11.00 on **Thursday 5 December 2019** at the CIPP, Arne Street, Covent Garden, London, WC2E 9RA.

Ordinary business

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

- Approval of minutes from AGM 2018
- To elect directors to the board
- Approval of accounts for the year ended 30 June 2019
- Election of auditors
- Any other business

By order of the board



Cliff Vidgeon, *Institute secretary*
Chartered Institute of Payroll Professionals
Goldfinger House, 245 Cranmore Boulevard, Shirley, Solihull, B90 4ZL

Notes

The deadline for submitting further agenda items is **30 August 2019**.

This is the Institute's twenty-second AGM.

Any member wishing to stand as a board director should send a completed nomination form and accompanying documentation, to be received by the Institute secretary no later than **30 August 2019**.

Attendance at the AGM is free for CIPP members. Should you wish to attend, please book via our website at cipp.org.uk

cipp.org.uk    
[@CIPP_UK](https://twitter.com/CIPP_UK)





ADVERTORIAL

Payslips and ID fraud

Andi Robinson, at **Dataguard**, explains how an intercepted paper payslip can be the start of an ID fraud chain reaction ruining personal lives and the business reputations

As an employer, when processing recruitment, payroll and other HR documentation, there are risks to both employee and employer from data breach. These range from the costs to the business of mitigating the effects of a breach, to the financial and psychological

impact on the employee.

But it is the reputational impact on the employer that might end up costing the business the most. However much as an identity theft is the responsibility of the fraudster, it will be the business whose system was weak that will likely be the

one receiving the lion's share of negative publicity and accountability.

So, what makes a payslip so useful to a fraudster? Aren't there many documents that contain confidential data useful to a bad actor? Here's Darren Rose, a data privacy expert:

The hidden risk of the insecure distribution of a payslip



Darren Rose CIPP/E,
DHR Consultancy

On the surface, a payslip appears to include general information; name and address.

However, it may also contain confidential information such as NI number, employer and salary.

To take out an online loan or take over your email account an identity thief would

also need your date of birth and mother's maiden name.

How do they obtain this? A simple call, posing as the company's HR department and using the NI number as initial proof of who they are (because no one knows your NI number right?). With trust established they ask for date of birth, place of birth and mother's maiden name as security confirmation. The call is concluded by letting the employee know their payslip

has been delayed and another will be sent shortly.

Now the identity thief has enough information to fraudulently impersonate you or obtain a fake ID document such as a passport, which, when combined with a fake utility bill and the payslip as proof of employment and salary, will enable them to stack online loans and open bank accounts.

www.gdprconsortium.co.uk

Don't be responsible for the first domino to fall

To avoid being held accountable for allowing the first domino to fall in a disastrous sequence of events for an employee of yours, it is necessary to put in place rigorous processes.

Distributing paper payslips is an inherently insecure and costly process. But going digital has its drawbacks too if correct processes and technologies are not employed.

- *Emailed payslips* are vulnerable to interception, and manually password protected attachments lead to inevitable admin overload.

- *Portals* are potential targets for attack. The worst-case scenario is if the portal itself stores payslips in unencrypted form. Furthermore, portals may only encrypt the data at rest – the data being transferred to and from the

portal may still be vulnerable to interception.

- *Employer-owned portals* require security, backup and maintenance. Responsibility for this applies as it would for any employer-controlled data.

There is a solution though.

Dataguard ePay provides a solid first line of defence protecting your employees' data and your reputation. It's a secure digital solution that provides the processes and technology to securely transmit payslips and other confidential HR documents to employees.

The uniqueness of this platform is that it will work with all payroll systems – it doesn't matter which you have now or in the future.

Wide range of benefits – From within a high grade security environment, you can reap all the benefits such as reduction in cost, time and environmental impact, with an increase in efficiency and exceeding

regulatory and compliance requirements. This can all be done with the minimum of disruption, staff training or development costs associated with such a significant leap forward.

Employees receive their ePayslip immediately on day of distribution. They have the option of electronically archiving their payslips into the future, beyond their current employment. ePay is available through a simple app on any of their devices - smartphone, tablet, laptop or desktop running IOS, Mac OSX, Android or Windows.

Why is ePay so safe? The encryption keys and hash codes are sent to the recipient's email address separately and via a different route to the encrypted message itself. They only ever join up and work together at the verified destination. □

www.dataguard-uk.com

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

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

Consultancy

Chartered Institute of Payroll Professionals

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

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

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

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



LiTE Consulting

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

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

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



Compliance and quality standards

Payroll Assurance Scheme (PAS)

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

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



Fully managed outsourced payroll services

Alight Solutions

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

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



Frontier Software

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

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

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



Moorepay Ltd

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

At Moorepay, we have been supporting businesses with their people processes since 1966. Offering services, software, consultancy and training across various payroll and HR solutions, we will help you manage your people and their needs. Designed for businesses large and small, our managed payroll solution takes care of the whole payroll operation, including data capture, processing, printing, distribution and reporting. We manage it all for you, removing the entire payroll burden.



OneSource Virtual

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

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



Useful contacts

Zellis UK Limited

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

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

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



Integrated payroll and HR

Cascade HR Ltd

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

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



Cintra HR & Payroll Services

Computer House, 353 High Street Gateshead, Tyne and Wear NE8 1ET
Tel: 0191 478 7000 Fax: 0191 478 6060
Contact: Nham Lee Email: sales@cintra.co.uk
Website: www.cintra.co.uk

Cintra offers a uniquely customer focused approach combined with a robust, flexible and evolving mix of software and services tailored to meet your organisational requirements. With its broad customer portfolio covering both public and private sectors along with highly trained, experienced and motivated staff, Cintra offers the natural choice for Payroll and HR solutions in the UK. If you are looking for a long term partnership where solutions, in-sourced or out-sourced, are tailored to your individual needs with no hidden costs why not give Cintra a call, the friendly face of Payroll and HR.



Equē Ltd

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

Miracle from Equē2 is the leading Payroll and HR solution for Microsoft Dynamics NAV. Our HMRC recognised solutions can address the most complex HRM information management requirements with our sophisticated functionality. Today our solutions are run by 1,000 companies worldwide from below 50 to over 40,000 employees, in a diverse range of sectors including construction, leisure, retail, recruitment, umbrella, IT, manufacturing and many more.



Frontier Software

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

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



Moorepay Ltd

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

At Moorepay, we have been supporting businesses with their people processes since 1966. Offering services, software, consultancy and training across various payroll and HR solutions, we will help you manage your people and their needs. Designed for businesses large and small, our managed payroll solution takes care of the whole payroll operation, including data capture, processing, printing, distribution and reporting. We manage it all for you, removing the entire payroll burden.



Zellis UK Limited

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

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

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

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



Payroll bureaux

Cintra HR & Payroll Services

Computer House, 353 High Street
Gateshead, Tyne and Wear NE8 1ET
Tel: 0191 478 7000 Fax: 0191 478 6060
Contact: Nham Lee Email: sales@cintra.co.uk
Website: www.cintra.co.uk

Cintra offers a uniquely customer focused approach combined with a robust, flexible and evolving mix of software and services tailored to meet your organisational requirements. With its broad customer portfolio covering both public and private sectors along with highly trained, experienced and motivated staff, Cintra offers the natural choice for Payroll and HR solutions in the UK. If you are looking for a long term partnership where solutions, in-sourced or out-sourced, are tailored to your individual needs with no hidden costs why not give Cintra a call, the friendly face of Payroll and HR.



Frontier Software

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

Frontier Software Payroll Outsourcing Services offer traditional 'process and deliver' bureau arrangements through to fully managed service contracts. Your business will enjoy all the accessibility, flexibility and control of processing payroll in-house – without having to allocate staff, equipment, time and resources to manage it. And, when it comes to accuracy, efficiency and flexibility, we can be relied upon to ensure the timely payment of your staff. Payroll data can be provided manually or through access to ichris, our Payroll/HR software suite that enables data to be securely entered from any location using a range of devices.



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

Payroll Business Solutions Ltd

6 Bourne Court, Southend Road,
Woodford Green, Essex IG8 8HD
Tel: 020 8550 7758 Fax: 020 8551 8861
Contact: Nick Hooper Email: sales@payrollbs.co.uk
Website: www.payrollbs.co.uk

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

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



Payroll software

Cintra HR & Payroll Services

Computer House, 353 High Street
Gateshead, Tyne and Wear NE8 1ET
Tel: 0191 478 7000 Fax: 0191 478 6060
Contact: Nham Lee Email: sales@cintra.co.uk
Website: www.cintra.co.uk

Cintra offers a uniquely customer focused approach combined with a robust, flexible and evolving mix of software and services tailored to meet your organisational requirements. With its broad customer portfolio covering both public and private sectors along with highly trained, experienced and motivated staff, Cintra offers the natural choice for Payroll and HR solutions in the UK. If you are looking for a long term partnership where solutions, in-sourced or out-sourced, are tailored to your individual needs with no hidden costs why not give Cintra a call, the friendly face of Payroll and HR.



Frontier Software

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

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

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



Intelligo

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

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

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



Useful contacts

Payroll Business Solutions Ltd

6 Bourne Court, Southend Road,
Woodford Green, Essex IG8 8HD
Tel: 020 8550 7758 Fax: 020 8551 8861
Contact: Nick Hooper Email: sales@payrollbs.co.uk
Website: www.payrollbs.co.uk

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

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

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



Zellis UK Limited

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

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

With over 50 years' experience and 2000 employees Zellis is the largest business of its nature in the UK. We count over a third of the FTSE 100 as customers, serve 5million customer employees and processes in excess of 60 million payslips a year. We are also the people behind ResourceLink, the award-winning Payroll and HR software. So, if you're looking for market leading payroll and HR services we'd love to have a conversation.



Payroll training and qualifications

Chartered Institute of Payroll Professionals

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

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



Payslip distribution and archiving

Datagraphic

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

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



PayDashboard

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

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



Professional bodies

The Chartered Institute of Payroll Professionals

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

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



Recruitment agencies

Frazer Jones

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

HAYS Recruiting experts
in Payroll Management

James Gray Associates

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

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

jga jamesgray
associates

Payroll Elite Ltd

1146 High Road, Whetstone, London, N20 0RA
Tel: 0203 815 7064
Email: vacancies@payrollelite.co.uk
Website: www.payrollelite.co.uk
Twitter: @payrollelite LinkedIn: payroll elite

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

PE PAYROLL
ELITE

Portfolio Payroll

One Finsbury Square,
London EC2M 7LD
Tel: 020 7247 9455 Fax: 020 7256 5421
Email: recruitment@portfoliopayroll.com
Website: www.portfoliopayroll.com

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

30 PORTFOLIO
PAYROLL LTD
YEARS IN 2018

Time and attendance

Frontier Software

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

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

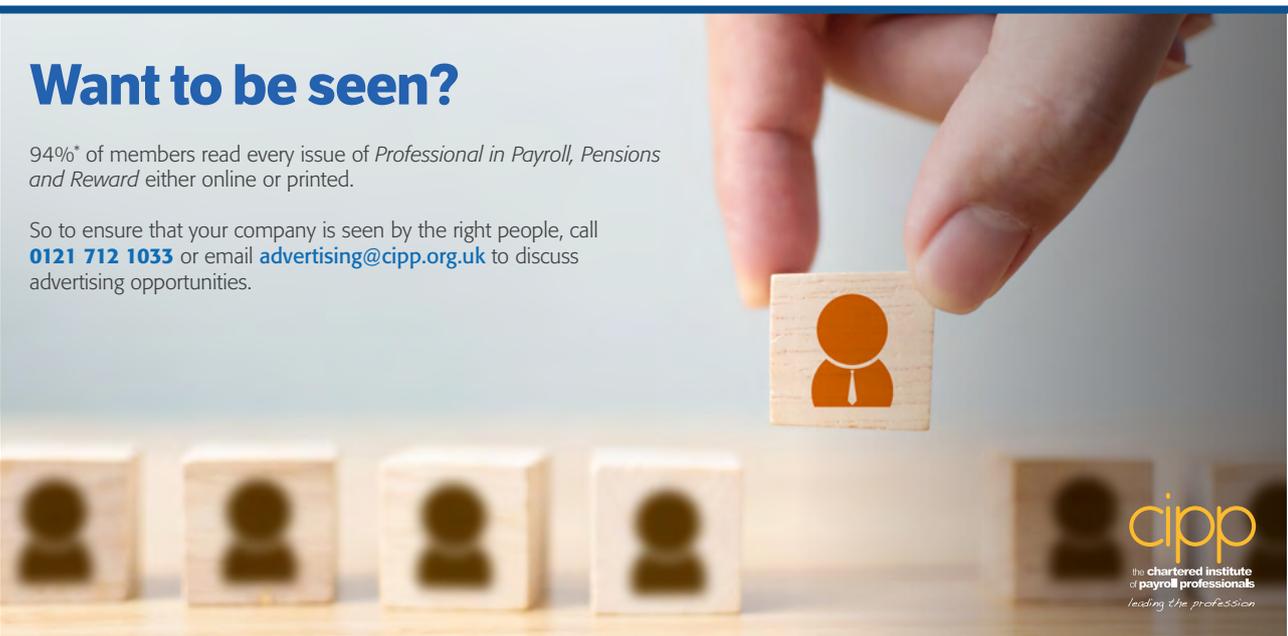
- Capture employee attendance across multiple sites
- Unlimited patterns for work, shift, breaks, etc can be defined
- Automated approvals to efficiently control overtime costs
- Reporting tool to monitor and analyse attendance date
- Fully integrate with our payroll and absence management software

Frontier
software
Human Capital Management &
Payroll Software/Services

Want to be seen?

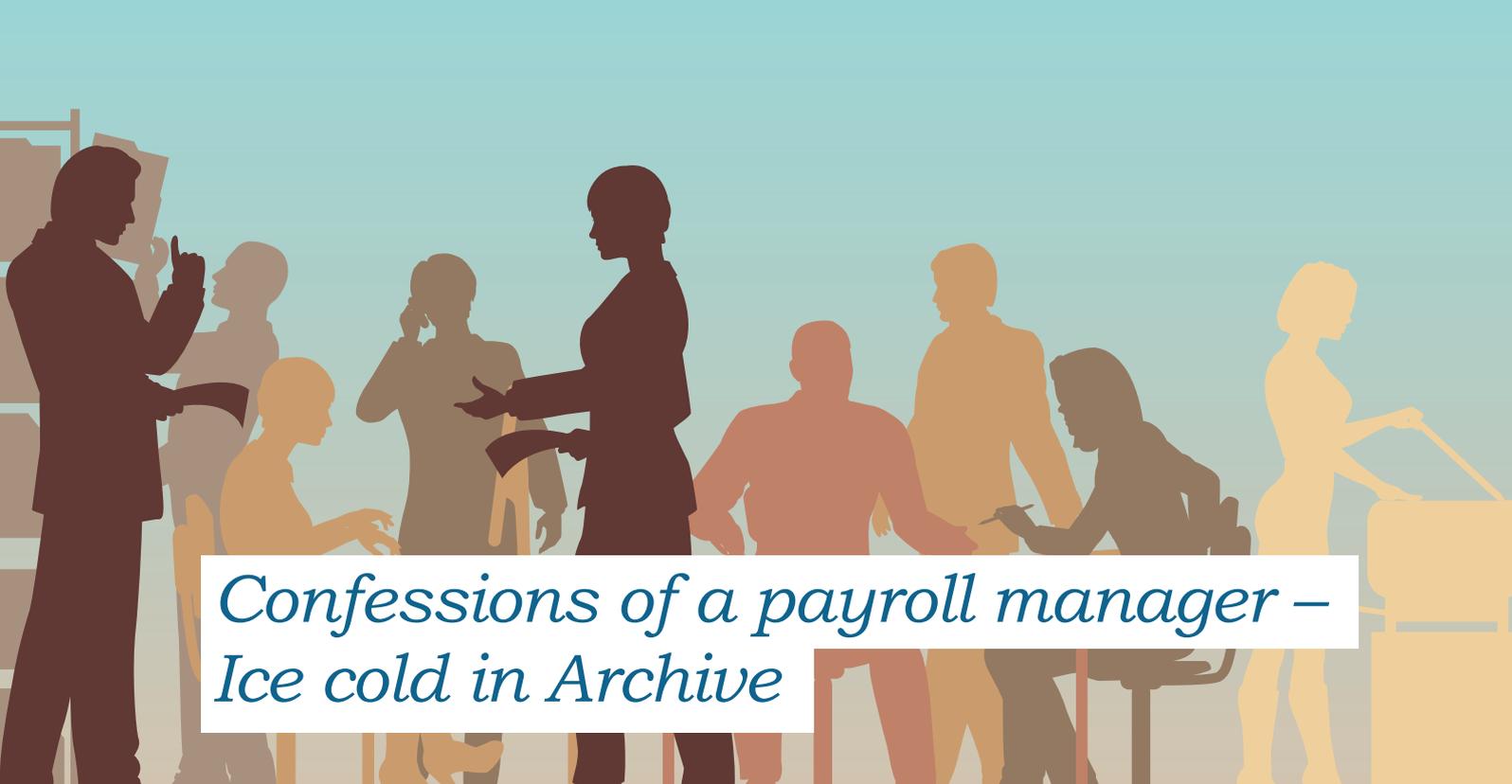
94%* of members read every issue of *Professional in Payroll, Pensions and Reward* either online or printed.

So to ensure that your company is seen by the right people, call **0121 712 1033** or email advertising@cipp.org.uk to discuss advertising opportunities.



cipp
the chartered institute
of payroll professionals
leading the profession

*as taken from a recent membership survey.



Confessions of a payroll manager – Ice cold in Archive

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.

There aren't many places at Crumbitt's where I feel anything less than completely at home. I've been here long enough to know every nook and cranny and every face (smiling or otherwise) greeting me when I walk through the factory; but there are two areas I tend to avoid. One is Mr Crumbitt's Ideas Haven and Project Incubation Unit – which is just a shed he bought on his seventieth birthday and installed on the roof a couple of years ago. Visiting the shed risks being accosted by Mr Crumbitt who, anxious to share his ideas, could keep you there until the sun sets – and probably until it rises, too.

The other area is the Archive room, which is more like a cupboard with delusions of grandeur. It's rare anyone goes down there – well, there's hardly any call to. However, a couple of weeks ago I had reason to delve into its murky depths.

Oddly, the journey to the Archives was in direct response to another nightmare – a surprise audit visit from the UK Visas and Immigration Office. It turned out a letter about the visit had come through on the previous Friday, but this had ended up as a coaster under Evie's new flying monkey mug. On receiving a phone call from the inspectors a few hours before their arrival on the Monday we located the aforementioned rogue letter and went into

swift action.

The letter was quite clear. The visit would involve checking all right-to-work documents for a sample of the workforce and a further check for all those working with a visa. As I explained to the team the purpose of the visit it dawned on me that I was the only one who had experience of a UKVI visit; indeed, this became clear when Jace began outlining what he believed the audit would entail which seemed like a mash-up of an episode of *Border Control* and *Columbo* – "just one more thing". I was able to reassure them that there would be no searching of drawers or pat-downs, and that the only uncomfortable thing would be visiting the Archives to find copies of paperwork.

We had to find records for thirty new starters chosen for audit and pull together the documents for inspection; sadly, 23 of these were in the Archives. So, clad in fleeces, thick socks and fingerless gloves, and armed with a family-size pack of Crumbitt's Crunchastics and a large flask of tea, Jace, Tom, Billie and I set off. Imagine four ice poles in some snow with a freezing gust of wind blowing over them – that was us. The temperature is permanently freezing so it was more of an endurance challenge than a simple office task.

Of course, we four explorers eventually emerged triumphant. However, some of the copy documents had become a little damp and were now illegible in parts – Jace insisted it was the excessive damp, but I maintain he knocked the flask over more than once.

Inspector June arrived an hour later

– so, just enough time to thaw out. She was truly lovely; well, how can you not like someone who prioritises a cup of tea over immediately starting work? We hit it off straight away, so I actually enjoyed spending the afternoon with her going through the records as she tapped away on her laptop.

At the end of the audit I was called for a debrief and informed that there were no areas of concern and the team should be proud of their record keeping. There were, however, two improvement suggestions: firstly, that a checklist be created and signed off for each starter in order to record which documents had been checked; and secondly, that some heating be installed in the Archives (which I definitely couldn't argue with). Mr Crumbitt was delighted with the result, and immediately called the engineering department to get on with installing heating both to fulfil the audit requirements but also by way of a thank you to his still-thawing payroll team.

My own thanks to the team was in the form of a massive chocolate cake and a hearty (now warm) hug all round. As always, these types of visits leave me a little on edge but serve to remind me of what a great, supportive team I have and that good processes, good training and good motivation will always see them (and me) right. □

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.

REWARD STRATEGY

— membership —

The established and trusted voice for the payroll, reward, pensions, benefits and HR professions

Join the community today by becoming a member, where we'll ensure you're up to date with regulatory and legislative changes, as well as receiving practical guidance and vital expert opinions from respected journalists and industry leaders through our magazine, website and events

SILVER

- 12 month subscription to Reward Strategy magazine in print and online

£165

GOLD

- 12 month subscription to Reward Strategy magazine in print and online
- Qtax Pro calculator
- A ticket to the Payroll Autumn Update on December 5 2019

£742
SAVE £155

PLATINUM

- 12 month subscription to Reward Strategy magazine in print and online
- Qtax Pro calculator
- A ticket to both the Payroll Autumn Update on December 5 2019 and the Payroll & Reward Conference 2020

£1,082
SAVE £250

View full benefits at reward-strategy.com/member-zone



CIPP members save 40% on a Reward Strategy Silver Membership

By choosing a Reward Strategy Silver Membership, for £99, you can waive the registration fee when buying CIPP annual membership. Quote 'Reward18' upon booking.*

BECOME A MEMBER:

Call **020 7940 4801**

Email subscribe@reward-strategy.com

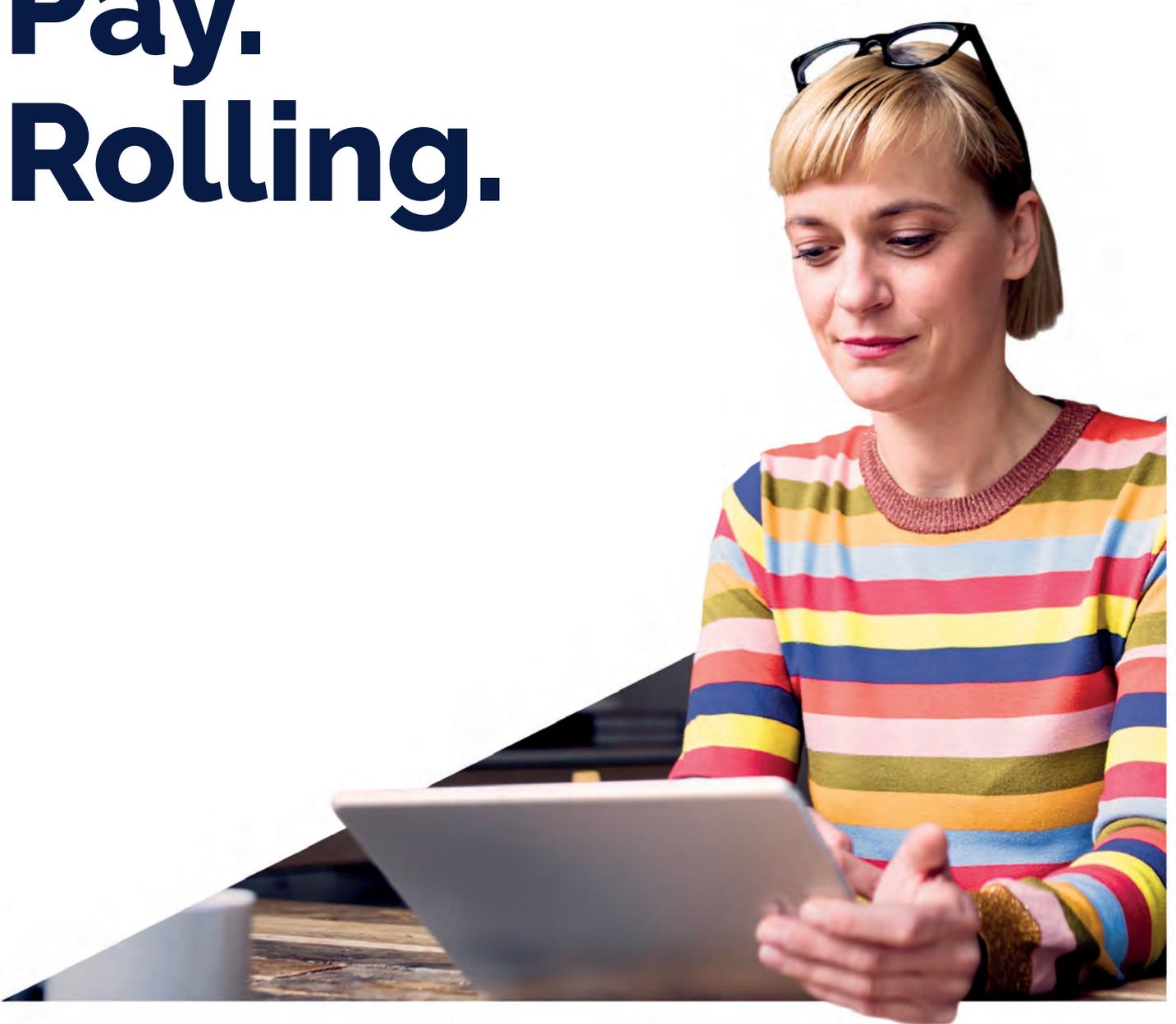
Visit reward-strategy.com/member-zone

*Correct at time of printing. One new membership per person. Visit reward-strategy.com for full terms and conditions.

Previously known as
Payroll World Club



Pay. Rolling.



NGA Human Resources UK and Ireland is now Zellis

With over 50 years' experience and now serving over 5 million of our customers' employees, we process in excess of 60 million payslips a year. If you're looking for market leading payroll and HR software and services, Zellis is the answer.

Find out more at zellis.com

The people behind
ResourceLink

Verify 'market leading' claim at zellis.com



zellis