

PROFESSIONAL

in Payroll, Pensions & Reward

Issue 73
September 2021

Time and attendance systems

Tax year-end review

The ins and outs

The employee experience

Informative devices

When can I retire?

Just a moment



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“So long, farewell, auf wiedersehen, adieu”

A lyric from *The sound of music*, by Oscar Hammerstein II (1895–1960) (<https://bit.ly/3jY3eTK>)



Editor's comment

Well, my plan to retire in December has unfortunately been brought forward because of ill health; so, this is my last issue of *Professional* magazine.

I have thoroughly enjoyed being editor since 2009 for reasons of creativity and intellectual challenges, but also because it brought me in touch with so many extraordinary and wonderful people in the industry. In particular, I must mention CIPP's

Vickie Graham and James Bartlett who throughout have been a pleasure to work with.

I wish my successor, Lora Murphy, every success.

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

Editor



Chair's message

Time and attendance systems is the feature topic this issue. Some employees will no longer be utilising such technology within organisations, as staff continue working from home, but there are others in the workplace who don't have that flexibility.

Within the gig economy, many will have multiple jobs across different platforms.

There are numerous considerations for payroll teams who want to persuade their employer to adopt such systems. Payroll data collection is increasingly automated, and for some, choosing a system will be for the first time. Others may be reviewing current systems and exploring new technology. In this instance, you will know what improvements and extras you are looking for from any change. It could be that, after reviewing what is available, development of your current system would be the best option.

You'll consider whether you are looking for software that is stand-alone or integrates with payroll software. Does it need to be able to automatically schedule shifts? Will it be biometric, remote clocking, cloud based, accessible on tablet or smartphone? These are all things which will influence the decision-making process. Cost will be

a primary factor, along with budget, frequency of upgrades, the level of technical support and customer feedback. Whichever systems are shortlisted, speak to current users of a similar size and industry type to get their feedback, and explore how they manage and utilise the collection of data.

Training will need to be planned and provided to users, aiding development, and supporting workforce transition. Managing expectations and making good use of technology can support user health and wellbeing, examining the data collected to spot trends, monitor hours to ensure compliance with the working time directive, and to support calculations for national minimum wage.

Implementing a strategy that defines how the data will be used and stored will reduce the risk of non-compliance for general data protection regulation and provide value for an organisation in understanding the patterns and trends to be identified.

Liz Lay MSc FCIPPdip FHEA ACIPD (liz.lay@cipp.org.uk)

Chair, CIPP



CEO's message

I hope that, despite uncertain times, this second summer of lockdowns has allowed you to take a break from the pressures and intensity of work.

Dispelling the perpetual myth that payroll and pension departments could not work from home, payroll departments have transitioned from an office environment to a remote one with great success. This prompted the CIPP to chair a roundtable with luminaries from the industry discussing the future of payroll skills (see pages 16,17). The headlines from the panel are that payroll professionals have had to adapt, be agile, and flexible in a range of areas, whilst ensuring an accurate and timely service.

So, is the future of payroll working from home? The panel conveyed differing views, but one thing that is obvious is that payroll skills continue to evolve and adapt alongside the ever-changing landscape of the payroll (and pensions) profession.

On behalf of the membership, we responded to the recent HMRC consultation – *Raising standards in the tax advice market*. The CIPP considers that this consultation has the potential to create fundamental change and has completed thorough research through internal discussions, a member thinktank, a technical panel meeting, and polled

almost 700 members to ensure this response reflects the voice of the payroll industry. You can view our submission (and video update) by entering the following link: <http://ow.ly/qXH830rNot>.

It is encouraging that as we ease out of this pandemic, employers are still actively ensuring their payroll and pensions staff are suitably skilled; and we are pleased to play a leading part. The Payroll Technician Certificate continues to grow year-on-year, and it is evident that its content is crucial for those entering the profession, as well as for those needing a refresher or returning to payroll. As an online qualification, it is particularly relevant at present. This equally applies to our online Certificate in Pensions Administration as it becomes apparent that more payroll professionals play a key part in the administrative area of pensions. This time of year also signals the autumn enrolment to our Foundation Degree (with either the payroll or pensions offering). Enrolling will bring benefits to both you and your employer.

Ken Pullar FCIPP (ken.pullar@cipp.org.uk)

Chief executive officer, CIPP



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CIPP update

Congratulations to the newly accredited PAS organisations

The CIPP's Payroll Assurance Scheme recognises best practice in organisations. The assessment looks at, (amongst other things) core processes, security, gross to net calculations, compliance, staff development and managing major change.

A huge well done to our recently accredited organisations:

- Cintra HR & Payroll Services
- Durham County Council
- Kinleigh Folkard & Hayward
- Oxford City Council
- Sainsbury's Supermarket Ltd
- Virgin Media Ltd

Ken Pullar, CIPP chief executive officer, said: "Events over the last year have proven the resilience of the payroll profession and its ability to ensure business continuity plans are in place and fit for purpose. Special recognition goes to these organisations that have demonstrated best practice during trying times. Well done to these organisations for achieving this industry recognised accreditation."

To get recognition for your organisation's best practice, contact compliance@cipp.org.uk for more information.



Graduation 2020 and 2021

PLANS ARE currently underway for a graduation ceremony for 2020 and 2021 graduates of the CIPP's two Foundation Degrees.

The ceremony is planned to be held on 5 November at the Symphony Hall in Birmingham and will feature two separate ceremonies: one to celebrate those students who graduated in 2020; and the second for the 2021 students.

As soon as we have more information, the CIPP we will communicate this via email. We are certainly looking forward to seeing you all in person and being able to celebrate your success together.



Annual Conference and Exhibition

OUR ANNUAL Conference and Exhibition will be taking place online this year, as the safety and welfare of our delegates and sponsors is of paramount importance to us here at the CIPP. We have a brand-new platform for this year's event which allows for excellent networking opportunities, live video messaging and is easy and fun to use.

The Annual Conference and Exhibition is an invaluable opportunity for payroll professionals to educate, collaborate and celebrate all things payroll, pensions, and reward.

We are thrilled to announce our guest speaker will be Eddie 'The Eagle' Edwards, who will be inspiring and entertaining us all with his stories. Eddie became the first competitor since 1928 to represent Great Britain in the Olympic ski-jumping event.

New events are being added every week, so don't miss your chance to stay up to date with current and future changes and issues affecting the profession.

This is an essential event in the payroll calendar, so visit [cipp.org.uk/ace](https://www.cipp.org.uk/ace) for more information, to book your place and to get updates about the event as they happen.



National Payroll Week

NATIONAL PAYROLL Week is here, and we are looking forward to celebrating the week with you all, in style. It's not too late to take part in the week and you can still book your place on a wide variety of online events. Visit <https://www.cipp.org.uk/events> to take your pick from the events on offer.

There is still time to download your National Payroll Week pack to help you celebrate with your colleagues. The packs are full of posters and other printable decorations, themed wallpapers, screensavers for mobile devices, NPW games and much more. Download your pack at <https://www.npw.org.uk>

Let's build on the success of 2020 and ensure that payroll professionals continue to be at the forefront of their industries, whilst celebrating themselves and their colleagues for their outstanding performance and achievements.



Face to face training returns

SEPTEMBER SEES some of the CIPP's training courses return to face-to-face training. If online learning isn't for you or you've been waiting until face-to-face learning returns, you can now book your place on the following training courses at a location that suits you:

- payroll update
- introduction to payroll
- P11Ds – expenses and benefits training course collection.

You can take part in these courses online. Visit <https://www.cipp.org.uk/training> to find out more and to book your place.

Payslip Statistics Survey 2008 - 2021

THE CIPP's flagship piece of research – the *Payslip Statistics Survey*, which has been running for more than a decade, has been completed for 2021. The associated report has been published and can be located here: <http://ow.ly/b79d30rQNbh>.

The research is crucial in identifying current trends in how organisations pay their staff. Each year, the survey contains a standard set of questions that explore this area, which means that they can be monitored to establish how they have changed over time.

One key example of this relates to the distribution of payslips – traditionally, they were physically printed off and provided to employees but in recent years there has been a substantial shift to payslips being distributed online, via an online portal or by email.

Each year, a selection of more topical questions are included that focus on the issues payroll professionals are currently facing.

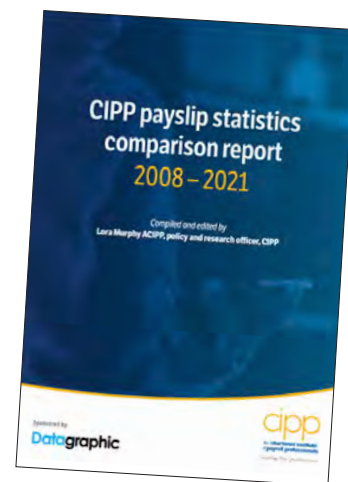
This year's survey incorporated questions on the effect of the coronavirus job retention scheme and recent changes to legislation, such as amendments to the calculation of holiday pay and the requirement to display hours which cause pay to vary on payslips.

Key findings from the survey are as follows:

- more than 96% of respondents confirmed that they operate at least one payroll on a monthly basis within their organisation
- 1.07% of answers showed that organisations currently operate pay on demand
- 68% of organisations opt to pay their staff early in December, to account for Christmas
- the last day of the month is the most popular pay day for monthly payrolls
- the most popular pay method is via BACS – this has not changed since the survey was introduced in 2008.

The full report includes various graphs and images to highlight how survey responses have changed over time and provides comprehensive insight into the responses to each of the questions included.

The report is an invaluable source for anyone who wants to understand how payroll teams are currently operating, but also how processes may have evolved and shifted over time.



New member benefit

THE CHARTERED Institute is pleased to announce a new online member benefit for associate, full, fellow, and Chartered members.

Payroll Management, published by Bloomsbury Professional, contains useful information for all payroll professionals and will be added to your subscription package this month. It not only offers best practice information to guide you in your role, but also contains practical information about subjects such as project planning, staff retention and recruitment along with much more. You can access the online version of this book in the MyCIPP area of the website at <https://www.cipp.org.uk/pmbook>.

We've got mail

Class 1A NICs misunderstanding

Vince Ashall MSc FCIPP writes:

There is a very useful article on pages 26 and 27 of the June issue of *Professional* magazine on reporting benefits and expenses, but unfortunately it has an error in the first paragraph under the 'Payrolling of benefits' heading in column 2 of page 27. The text states that "...and tax and class 1A NICs applied to them at the same time as they are received."

However, class 1A NICs on payrolled benefits in kind (BIKs) only become due after the tax year end and paid to HM Revenue & Customs by 19 or 22 July depending on the payment method.

I've no doubt that in due course, class 1A NICs on payrolled benefits will become payable in real time, but for the time being this is not the case.

The Editor responds:

Thank you for drawing this to our attention, Vince. The text in question may have been misleading and so deserves clarification.

The text was intended to indicate that employers could (and maybe should) calculate, charge and accrue in the organisation's financial accounts a cost/liability for the amount of class 1 NICs due on payrolled BIKs in each pay period of the tax year.

Class 1A NICs are only payable in real time on termination payments that exceed £30,000 and on sporting testimonials of more than £100,000.

Class 1A NICs on BIKs are payable in the tax year following that in which the benefits were provided.

The CIPP apologises for any misunderstanding caused.

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NATIONAL PAYROLL WEEK 2021



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Book your place on our National Payroll Week events now

It's not too late to book your place on our free to attend online events, as part of National Payroll Week, taking place from 6 – 10 September. The week will be packed full of useful, fun and informative events. So make sure you book your place and don't miss out on the most important week in the payroll industry.

HIGHLIGHTS INCLUDE:

Are you ready to run your HR and Payroll like a boss?

Thursday 9 September – 10 – 11am



Join Sage and a panel of payroll experts, who will share their knowledge on payroll in a changing world, provide advice on getting it right first time, highlight common mistakes, offer top tips and how to plan ahead for payroll year end.

Disrupting Payroll – a webinar in conjunction with Hi

Friday 10 September 10am – 11am



Founded by David Brown and recently joined by Eira Hammond, new start-up company Hi, a payroll funding platform and Social Enterprise, are making waves in the industry through their unique combination of experiences. Enabling businesses to defer salary payments and helping employees benefit from instant pay, this webinar promises to be both informative and lively.

Don't forget to download your pack so you can celebrate the payroll profession with friends and colleagues who have kept the UK paid. You can download your pack here: npw.org.uk

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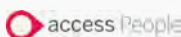
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Spotlight on...



Dawn Baxter ACIPP
CIPP membership manager

Tell us a little about your career and background.

I have had a varied background along with a career break to have a family, but my experience was predominantly in retail management.

I started, in the distant past of 1980, on a youth trainee scheme at a local chemist, where I was paid £23 a week in cash, with a handwritten payslip. I soon progressed to cashier and window-dresser at Etam in Birmingham.

Along the way, I have been a store manager for some big names – including River Island and Laura Ashley – and achieved my career goal in 1998 of becoming store manager in the largest Mexx outside London, where I managed forty staff, three clothing departments and a huge stockroom.

When did you first become involved with the CIPP?

In 2005, I decided the long hours of retail were not for me so chose to retrain and

undertook the Pitman's Microsoft Office Specialist qualification. After successfully passing this qualification, I walked into the IPPM's (a CIPP forerunner) office in Hockley Heath on 14 August 2006 as a very nervous marketing temp.

It was a very busy time as within six weeks the Institute became simply 'IPP'. I became a permanent member of the team in March 2008 and both the Institute and I haven't looked back since. I took on my current role in April 2020.

What does your role mean to you?

I am passionate about the Institute and its members. The values the company hold are important to me and I use them as a standard in my work.

As membership manager, it is essential that I keep abreast of what is happening in the profession so that the CIPP continues to meet the needs of its members.

My experiences at the Institute shape how I work with internal and external stakeholders.

I love attending events, in particular the Annual Conference and the Graduation Ceremony, and am looking forward to when we can all meet face to face.

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

There have been lots of changes to the Institute during my time here. I think that the experiences I have had in marketing and business operations allow me to contribute ideas, participate in project

teams and generally contribute to the success of the CIPP.

By meeting the members and discussing their issues, reading legislation updates and attending industry events, I am confident that I can bring a positive contribution to the CIPP's strategy.

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

I was asked this question in 2018 and who would have guessed the trials and tribulations that 2020 and 2021 would bring. There have been many challenges and the profession has risen to meet them all head on.

If you look how far the industry has come since I received my first brown envelope, prepared by another member of staff with no training or real knowledge, there is no doubt in my mind that with the advances of technology, a Chartered body to represent you, and an ever-changing and challenging workforce, there will be exciting times ahead.

What do you do in your available time to unwind?

When I am away from the office, I am a keen watcher and reader of fantasy and science fiction. I enjoy technology and am probably known as a bit of a geek when it comes to a certain brand of phones, tablets and laptops, as I have the whole range.

Family is hugely important to me and as a proud (but very young, of course) grandma, I love spending time with them as it gives me a renewed outlook on life. ■

UPDATE

On your
behalf

Policy team update

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

As the July heatwave hit the UK, and many returned to their workplaces after the work-from-home restrictions were lifted, the CIPP policy team were kept busy attending various forums, responding to consultations, and collecting the views of you – the payroll professionals.

A new CJRS forum

In exciting news, HM Revenue & Customs (HMRC) has set up a brand-new coronavirus job retention scheme (CJRS) forum, which will enable free-flowing discussion between the CIPP policy team and a group of key stakeholders.

CJRS has been a hot topic in HMRC's Employer Payment Group since March 2020, and this new dedicated group continues to provide a forum to discuss the impact of CJRS as the scheme begins to wind down.

HMRC has already issued letters to thousands of employers asking them to review their claims for errors. The CJRS forum will provide a focus on HMRC compliance activity and will work to ensure that employers have the necessary information and guidance to support their claims.

As the impact of the CJRS will continue to be felt by organisations throughout the UK long after the scheme is closed, the CIPP will ensure the voice of our membership is represented and heard.

Payrolling of benefits research

The CIPP is working in conjunction with HMRC to establish how organisations report the taxable benefits they provide to employees. Employers can choose whether they process them in real time through their payroll software or to utilise P11D returns, which HMRC has recently

been referring to as the 'legacy' process. Some businesses will opt to use a combination of both processes.

In order to explore this area, the CIPP's

...the impact of the CJRS will continue to be felt by organisations throughout the UK long after the scheme is closed, the CIPP will ensure the voice of our membership is represented and heard.

policy team published a survey which ran throughout June 2021. The questions asked primarily how benefits are reported and then delved into the reasons behind why organisations adopt the approach that they do.

Unsurprisingly, the most popular response in relation to the process used was for P11D returns, with 41% of respondents confirming that they only use this method. Some 29% solely payroll benefits, and 30% use a combination of both methods.

There are a few barriers for employers that don't payroll benefits in real time. This could be because:

- their payroll software isn't compatible with the process, or
- they are worried about the issue of employee double taxation in the first year

of payrolling benefits, or because agents cannot register to payroll benefits on behalf of their clients.

Additionally, at the time of writing, not all benefits can be payrolled, as employer-provided accommodation and interest-free and low-interest loans cannot be processed in this way, and these benefits need to be included in a P11D return.

Guidance also appears to be a stumbling block for payrolling benefits, as 56% of responses indicated that the guidance was only adequate, with others declaring they find it poor. There was confusion around the information that needs to be provided and the deadlines associated with payrolled benefits:

- 6% of organisations do not provide staff with statements or information relating to payrolled benefits, and
- 26% of respondents were unaware of the different deadlines that need to be observed based on whether an organisation is providing P11D returns or payrolling benefits.

Encouragingly, 97% of those who confirmed that they payroll benefits would recommend it.

It appears that the issue is with encouraging businesses to implement payrolling benefits in the first instance, but once actioned it is an effective way of reporting taxable benefits.

How the CJRS impacted your team and organisation

The CIPP policy team ran a series of interviews throughout July and August with individuals and payroll teams to discuss their experience of the CJRS. Conversations of this nature are crucial in ensuring the CIPP remain close to the current issues that payroll teams are tackling. These activities ensure that the

CIPP can communicate with a voice that represents the whole payroll profession when discussing issues with HMRC and other key stakeholders; highlighting both the positives and the negatives that need to be addressed.

The interviews were each fifteen minutes in length and allowed for individuals plus a maximum of two of their colleagues to share their experiences – whether those were about calculations, audits, guidance, claim processes, or, of course, a combination of all.

The discussions were entirely confidential, but the content will be used to provide feedback to HMRC and could potentially mould future research in this area.

The sessions proved extremely popular, with members snapping up slots as soon as they were made available.

We will be analysing the feedback from the meetings, and will share findings in due course; so watch this space.

If there are any key topics that you would like to see the policy team focus on in the future, then please send an email to policy@cipp.org.uk with your ideas.

National Payroll Week

As we are sure you are aware, National Payroll Week is coming, running from 6–10 September 2021. In traditional style, the policy team will be delivering a legislative update, full of the information that payroll professionals need to be aware of to succeed in their roles.

...the policy team will be delivering a legislative update, full of the information that payroll professionals need to be aware of to succeed in their roles.

The team will also look at payroll in practice and will glimpse into what the future of the profession may hold, and

what changes may be in store.

We hope that you will watch and enjoy the update. The policy team would love to receive your feedback, on what worked well, what didn't work well, or just some considerations for the team to take on board in future. Please contact us at policy@cipp.org.uk.

Is hybrid working the future?

As we return to some semblance of normality, there is much discussion around the future of working practices. There seems to be a clear steer towards hybrid working styles – that is, splitting time between working from home and from a workplace, such as an office. This will inevitably have implications for payroll departments, particularly in terms of expenses and benefits.

Will employees qualify for the £6 per week tax relief for working from home, if they split a portion of their time at home, but some in the office? What will happen with qualifying journeys for the purposes of cycle to work schemes?

Are there any areas that you would like to discuss? Get in touch with the policy team, at policy@cipp.org.uk. ■

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Enrolments are now open for the Autumn 2021 intake of our **Foundation Degree in Payroll Management** and **Foundation Degree in Pensions Administration and Management**

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Advisory

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

Q: A client runs a restaurant and has two employees who will be leaving the business soon. For the majority of last year, both employees were furloughed. As annual leave was not formally requested or granted, is it correct to assume that the annual leave outstanding needs to be paid in full and not at a reduced rate to account for furlough pay?

A: Holiday entitlement continues to accrue for employees during periods of furlough, and any untaken holiday entitlement must be paid at the point of termination. The holiday pay must be calculated in accordance with current legislation, as stated in sections 221 to 224 of the Employment Rights Act 1996; see: <https://bit.ly/3xC2w4f>.

As both employees were employed for the full annual leave year, they would be entitled to 5.6 weeks holiday pay which must be based on their contractual rate of pay. If the worker is a variable hours' worker, the holiday pay rate must be based upon the average pay received for hours worked in the previous 52-week period. If for any of those 52 weeks the employee received no pay at all, then an earlier week needs to be used for the calculation. The period that can be looked back to is the preceding 104 weeks. However, if the worker had been flexibly furloughed, the employer could include the figures relating to flexible furloughed hours in the weeks where paid hours were worked. This would ensure that the employee was not disadvantaged by reducing the worker's average holiday pay for any week where they received pay for both furloughed and working hours.

Q: An employer wishes to give their employees a cash payment or voucher

worth £50 as gratitude for all their efforts during the pandemic. What are the tax and National Insurance contributions (NIC) implications? Is it possible that the cash payment or voucher can be made tax free as there are approximately 10,000 employees?

A: The provision of any cash payment or 'non-cash vouchers' (NCV) will always incur a tax liability and will ordinarily be subject to class 1 NICs. There is, however, an exemption from NICs where certain vouchers are provided as part of a scheme available to all employees, or to all employees at a specific location (see: <https://bit.ly/36vpoGx> for details).

For the majority of NCVs, an employer is required to report its value via the P11D return for income tax and collect the class 1 NICs though the payroll at the time the voucher was provided.

If an employer is registered to payroll benefits before 6 April 2021, notionally add the cost of the voucher to the employee's pay for both class 1 NICs and tax.

An employer may also apply for a PAYE (pay as you earn) settlement agreement (PSA) and if the agreement is in place by 5 July following the end of the tax year, the employer can then gross up the payments and pay tax on behalf of the employee, but class 1 NICs must still be processed through the payroll. However, any cash payment awarded by the employer must be treated as earnings and processed through payroll for tax and class 1 NICs.

Q: If an employee is on a phased return to work after a period of sickness and is working every day but at reduced hours, can we pay statutory sick pay (SSP) to top up their pay?

A: To qualify for SSP, an employee must

be off work sick for four calendar days in a row, including weekends. Currently SSP is not payable on any day an employee works, even if they are only in work for a short period of time.

Q: An employee has sadly passed away and we are being asked to pay the final payment directly to the 'next of kin'. Please could you confirm if this can be done and what is the best practice to follow?

A: An employer needs to exercise caution and take steps to ensure that any final payments made after an employee has died are only paid to a lawful recipient. We would not advise amending bank details to transfer any final payments without some legal notification to do so.

Once informed of a death, banks may freeze accounts, including joint accounts. The final payment is therefore usually made to the employee's representative or beneficiary. The company would ordinarily request a copy of the death certificate and a copy of the will. If there is no actual will, the administrator or executor of an individual's estate will normally need to apply to the probate registry for them to grant of letters of administration. However, the employer remains responsible for ensuring any monies outstanding to the deceased employee's estate is paid over to the most appropriate recipient. (<https://www.gov.uk/applying-for-probate>)

Q: The completion of the P11D returns was outsourced to a payroll bureau that has now advised the cost of the delivery of the fleet's vehicles to our site needs to be included when calculating the benefit in kind value of the car. Although this information was quite vague, we are now concerned

that it should be included in the cash equivalent reported in the P11D returns.

Should we include the delivery cost even though it does not form part of the list price, nor is it an accessory?

A: The law defines the list price as the price of the car before the 'on-the-road' charges are added. It includes standard accessories, any relevant taxes – value added tax, car tax (where appropriate), any customs or excise duty, any tax chargeable as if it were a customs duty – and delivery charges that relate to the sale of the car to a car dealer following manufacture. It does, however, exclude the new car registration fee because it is an administration fee, not a tax.

Although the initial delivery charge is included in the manufacturer's list price, the charges relating to the onward delivery of a company car from a fleet company to a business would not impact the list price of that car.

(See: ss 122 & 123 of the Income Tax (Earnings and Pensions) Act 2003,

<https://bit.ly/3i0iU7X>, and HMRC's guidance: <https://bit.ly/2VpTk4A>.)

Q: A former employee received a company loan of £15,000 in 2020 but this has still not been repaid. The ex-employee has not made any repayments towards this loan and HMRC has advised this would be a benefit in kind (BIK) and would need to be reported via P11D returns. How would this be reported as P11D returns must not be issued to ex-employees?

A: Where a benefit in kind has been provided beyond an employee's leaving date, the P11D return is not applicable.

Employers are required to provide a statement of the benefits provided after termination to both HMRC and the individual concerned by 6 July. The statements can take the form of a letter on company headed paper.

Q: An employer has formally agreed with HMRC to begin payrolling benefits from the start of the new tax year, so that tax can be collected at source through the payroll. As the time has come to report the benefits for tax year 2020/21 using P11D returns, we are concerned that the employees will be taxed on two years' worth of BIKs. How should we inform them of this?

A: It really depends on the type of BIKs.

For regular benefits such as company cars, HMRC receives the details via the P46(Car) return. HMRC will collect tax in real time through the tax code as there is an anticipation of the ongoing provision of the BIK.

When an employer begins to payroll BIKs, steps should be taken to ensure employees do not pay tax on the regular benefits at source through payrolling while still having the benefit in their tax code. Therefore, it is important to agree the benefits that are to be payrolled with HMRC, along with an agreed date to commence payrolling, so that adjustments to the tax codes in respect of regular benefits can be made in time.

For ad hoc benefits relating to the previous year, they must be reported to HMRC by 6 July using the P11D return. On receipt, HMRC would adjust the tax code later in the tax year; so, in theory, the person's tax code could change again after July to collect any extra tax due.

Q: As an employer, we are very unsure when our computation for PSA needs to be submitted. The guidance is very vague. Please can you advise?

A: The employer and HMRC must agree on the types of benefits that will be included in a PSA by 5 July following the end of the tax year in which the benefits were provided. Note that a PSA cannot be retrospectively agreed.

Upon receipt of two copies of form P626 from HMRC, the employer must sign, date, and return both copies to HMRC. HMRC will return one of these, which will be the employer's PSA. An employer can now begin the PSA computation using form PSA1.

The CIPP's advice would be to then ensure all agreed benefits have been captured, and all employee tax thresholds have been established (not forgetting that employees living in Scotland and Wales may have different income tax rates).

The appropriate PSA1 computation form should be populated with the data and sent to HMRC as soon as possible. This should then give HMRC enough time to raise any questions relating to the submission before the electronic payment deadline of 22 October (or 19 October, if paying by cheque).

For further guidance visit <http://ow.ly/oQ0v30rQ92j>. ■

Holiday pay and leave



Duration
One half day



CPD
3 points

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Movers

Shakers

BDO APPOINTS DOUG BIRD AS PAYROLL TECHNOLOGY MANAGER

PAYROLL SERVICE provider, BDO, has appointed Doug Bird as payroll technology manager to assist with the development of their systems and processes on a national scale, due to the rapid growth of client work.

Doug has worked in the payroll industry for more than thirty years, and has worked in various sectors, including the National Health Service, before moving into implementation and consultancy. He worked for a human resource and payroll software provider for many years. Before joining BDO, Doug used his knowledge of systems and the marketplace to help clients in identifying and sourcing suitable solutions as well as project managing implementation.

Doug commented: "I am delighted to be given the opportunity to join a team who not only understand the importance of technology in our industry but use it in innovative ways to aid the team and service of the client."



Duration
Two half days



CPD
7 points

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TERRI GALL MCIPPDI APPOINTED AS HEAD OF PAYROLL SERVICES AT BARTS

IN JULY 2021, Terri Gall MCIPPDI was appointed as head of payroll services at Barts Health NHS Trust. Terri brings a wealth of public sector payroll experience with her, having been part of three NHS Trusts at previous points in her career, where she used an Oracle based HR/payroll system.

Terri began her career in payroll back in 1990 at Newcastle University, which gave her exposure to how payroll works within a private sector organisation.

Commenting on her new role, Terri said: "It was very evident in my interview that Barts have a real vision for what they want to be and where they want to go, harnessing innovation and deeply caring about the workforce and their wellbeing. I found this very attractive, and from my perspective would allow me to modernise and be at the top of my game, in the largest acute Trust in the country."



MAZARS PROMOTES KATIE SHARPE MCIPPDI

THE AUDIT, tax and advisory firm, Mazars, has promoted Katie Sharpe MCIPPDI to the position head of UK payroll.

In February 2020, Katie, who is a CIPP board director, was initially appointed as national delivery manager for Mazars's UK payroll business, before changing roles in July 2021.



PAMELA CORMACK AND KAREN GRIEVE LAUNCH FAMILY PAYROLL LTD

THE TWO business partners have created the new company to provide a payroll service for anyone employing staff for any type of paid role within the home such as nanny, carer, cleaner. Pamela, founder of Lothian Childcare Solutions, which specialises in recruiting and providing childcare to families in their homes and workers to nurseries, identified the gap in the market.

The service aims to alleviate pressures associated with juggling work and a busy life, plus the additional responsibilities domestic employees can put on families.

Karen, a payroll administrator, said: "We've both been juggling family and our careers over the years, so we know the value of finding something that can make life just that little bit easier."



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Time to Learn

Diary of a student...



Sunmola Adeyemo MCIPPdip

Senior payroll & pensions officer,
City, University of London

Tell us a little about your background and life, so far.

I was born in the UK and moved to Nigeria with my parents as a child but decided to move back to the UK 22 years ago. I now live in Greater London.

My hobbies include trying out new food recipes and singing. I enjoyed trips to the theatre and cinema before the pandemic, but I make do with Netflix these days. I also love spending time with family and friends.

What can you tell us about your career and qualifications?

On arriving back in the UK, I enrolled on a part-time business studies course at Southbank University whilst working in accounts payable. I was made redundant soon after graduation and started picking up temporary roles in various finance departments via employment agencies. I was assigned to a temporary position on one of these occasions, and thought it was for an accounts payable role, but, on arrival, I found out it was a payroll job. I have not left payroll since, and it has been twelve years.

I began as a payroll clerk and worked my way up to the role of payroll specialist, managing multiple payroll runs. This move was prompted by the completion of the Foundation Degree in Payroll.

Why did you choose to study the Foundation Degree?

Six years into my payroll career, I was interested in enhancing with studying the experience I had thus far. I looked at the module contents of the Foundation Degree and was convinced it was the way forward for me.

How did you find the qualification?

Although I had working knowledge of some of the modules, there was so much detail I didn't know. Tutors were easy to interact with, and always ready to support on areas of weakness. Networking with other students as well as sharing experiences was also helpful.

What advice would you give to others who are thinking about studying to improve their career?

The CIPP's Foundation Degree is well-rounded and will help individuals improve already acquired skills and gain more while they are at it. So, I would say, go for it!

How did you manage the work-life balance and your study? Do you have any tips for others in the same position?

Honestly, when I started studying I didn't realise how much of a change it would make to my lifestyle. I learnt to prioritise daily during term time. I also carried out different tests to confirm my learning style. This helped me set out a realistic study timetable for myself. I negotiated study leave at my workplace, so I was not stressed about exam time and assignment submission dates.

What would you say is the most important thing you learnt?

The most important thing I learnt was that development is a continuous process. Payroll itself is constantly evolving, so as a professional I am always ready to embrace change and develop and be up to date with current legislation.

What did you gain from this qualification – both in terms of skills and also career progression?

Career progression – my qualification made me a more desirable candidate for job interviews.

I found I was also more confident at interviews and progressed following my qualification.

Colleagues, as well as my employer, find me credible, too. I developed strategic and analytical skills that have become useful whilst carrying out projects at work.

During my studies my passion for the profession grew, which made me interested in becoming a tutor myself. I have been tutoring for a year now and have found it easy to relate with my students as I was a student myself not too long ago. ■

The employee experience



Samantha Johnson LLB(Hons) ChMCIPPDip, CIPP policy lead, provides guidance and suggestions on how payroll professionals can deliver financial education

September beckons and the new academic year is here, but education is not restricted to those of school age – learning is crucial in the world of work and takes many forms: training courses and qualifications, learning new skills, keeping abreast of policy and legislative change, and understanding more about workplace processes and culture. A curiosity to learn is part of human nature, and payroll professionals recognise the important part learning plays to remain at the top of their game.

But what part can payroll teams play in educating their colleagues, employer and clients, particularly as they are often at the centre of employee experience? Pay is personal, and payroll sits in a privileged position to support employees in this area. Pay has the power to motivate and demotivate, and for that reason, great customer service has always been an integral part of any successful payroll function. Wellbeing tops the agenda in many organisations, with one in two (55%) earners (<https://bit.ly/3fuqVlh>) worrying about money.

So, can payroll teams extend their remit and provide financial education to improve employee experience?

● **Financial awareness** – Payroll professionals are skilled individuals, with knowledge that spans tax and employment law. Often, employees and clients do not have an equivalent extent of awareness. There is an opportunity for payroll professionals to use this knowledge to enhance the service they provide. Although, many will err on the side of caution when discussing an individual's financial affairs, to avoid providing advice, there are many opportunities to signpost employees and clients to information that could ultimately benefit them.

In 2021/22, 800,000 individuals (<https://bit.ly/2WTIIME>) benefited from the working from home tax relief. If payroll teams make a concerted effort to highlight this and similar schemes, employees could

ensure they claim their entitlement. Eligible employees could see their tax codes changed to reflect the costs of cleaning, repairing, or replacing uniform. Married employees could take advantage of the marriage allowance transfer. Employers who do not pay the maximum allowable tax-free expenses linked to travel, could notify employees about tax relief on the difference.

...can payroll teams extend their remit and provide financial education to improve employee experience?

● **Understanding pay** – There is a legal requirement to show certain information on pay statements ('payslips'), including the number of hours worked, and pay, before and after deductions. As payslips are an opportunity to communicate with employees regularly payroll teams can make this a great experience for employees, whilst also educating them.

Using appropriate descriptions for pay elements on the payslip is a simple way to improve the transparency of information and reduce queries. Listening to feedback and regularly reviewing existing pay elements can ensure the information presented on payslips is relevant. Research (<https://bit.ly/3ypMRp2>) suggests most employees now access payslips through digital portals, giving payroll teams more flexibility in sharing information via links to guidance or frequently asked questions.

● **Employee control** – Pay on demand is a tool that could help improve financial wellbeing, as it enables employees to draw down earned pay before pay day, offering a viable alternative to pay day

loans, credit cards or overdrafts. Some argue that these tools go too far and perpetuate poor money management rather than promote it. Others are advocates for such products suggesting the control given to the employees helps them financially, and personally – maintaining their dignity when struggling. Many of these platforms also provide budgeting tools, to give individuals more transparency across their income and outgoings.

Payroll teams are in a unique position to lead the introduction of this technology. However, any decision to invest in these products should be well researched, with clear objectives implemented and safeguarding steps identified to ensure that the employee impact is a positive one.

● **Pensions and savings** – Pension advice is a regulated activity, and so payroll professionals must ensure they are not providing such advice to employees or clients when discussing pensions. To encourage positive retirement decisions, including saving the right amount for retirement, employers can pay up to £500 for tax-free pension advice to an employee.

Payroll professionals could play a leading role in facilitating this type of financial education, supporting employees by raising awareness with the employer, and investigating from where the budget could come.

Save as you earn is another scheme that payroll teams could introduce to help employees save money before they receive their take-home pay. However, payroll teams should remain vigilant to the impact this could have on national minimum wage compliance, following the Iceland Foods case, particularly if the employer maintains the savings account. ■

Strategic payroll

Payroll is continuing to evolve, and professionals should be encouraged to seek opportunities to work strategically and to impact employee experience.



The future of payroll skills roundtable

The CIPP policy and research team recently hosted this roundtable which was led by **Samantha Johnson LLB(Hons) ChMCIPPdip, CIPP policy lead**

Participants

Brian Sparling ChMCIPPdip, Ceridian
Catey Palmer, Deloitte
John Cronin, Subio
Lesley Daniel BA (Hons) ChFCIPP,
Applus UK Ltd
Lisa Orton MCIPP, PWC
Nick Day ACIPP, James Gray
Associates

The pace of change in payroll over the previous twelve to eighteen months has been unprecedented. Payroll teams are familiar with change; technology, legislation and business strategy are all areas where we have had to adapt and remain agile to continue to deliver an accurate and timely service. However, the challenges of working from home, managing the coronavirus job retention scheme (CJRS), processing Covid-related absence, and reacting to the changing demands of often struggling business, have seriously tested the skills of payroll professionals. Despite this, payroll teams have delivered; and it is testament to the skills, knowledge and behaviour of those teams that meant we kept the UK paid in 2020 – and continue to do so.

The CIPP continues to look to the future of payroll, so we invited payroll professionals and experts from across the industry to discuss the future of payroll skills as we begin to emerge from the pandemic. The discussions were prompted by questions

focused on four key areas.

1. Payroll skills and technology *Will technology remove transactional payroll tasks?*

Nick Day: Large employers will adopt this technology, but the rate of adoption will be smaller in those businesses with fewer than 1,000 employees. Senior leaders in the payroll industry want to see payroll play a more strategic role.

Removing these transactional tasks will help to do this and will raise the profile of payroll.

Lisa Orton: In 2019, we migrated to a cloud-based system. This was a godsend during the pandemic, which helped us explore new ways of doing things and removed some manual tasks. However, it is economies of scale – you cannot invest large amounts of money if you only have a small payroll.

How will artificial intelligence and chatbots shape future payroll skills?

Catey Palmer: The risk is that this technology undermines our message. Payroll is a complex industry and indicating that we can replace payroll professionals with technology implies that we are just data crunchers.

Brian Sparling: Chatbots and AI will have their place. Some 75–80% of queries in Ceridian could be answered by technology. However, that technology needs to really work to drive a change in human behaviour to embrace it.

John Cronin: Terms such as AI and chatbots mean different things to different people. There are already layers of AI that are in operation now, but we don't think of it in those terms.

These changes need to be about positioning, not what it takes away, but how it enhances the profession. Payroll is the bridge between finance and HR (human resources) in many aspects, and technology can change what payroll professionals mean to an organisation and increase their value.

LO: Business needs to consult payroll teams when implementing this technology. They are the teams delivering these functions now, and consultation will help them buy in to the new technology and understand how it can rebrand payroll professionals as strategic.

How will payroll skills need to change to adapt to technology?

ND: As technology advances, so do payroll skills. The skills don't become less in demand, they become more difficult and complex. Recruitment in payroll is more challenging now because there are so many facets to the payroll profession. Individuals should also be mindful that as technology changes, so these skills can become outdated. Technology creates an opportunity to develop those hybrid skills, leadership in particular – individuals with these softer skills are easier to place.

BS: Ten to fifteen years ago, you were looking for data entry skills when recruiting in payroll. Technology has removed the data entry to make payroll something different, and AI will be an extension of that. Technology has ability to flag risks and trends in data so payroll teams can review and turn them into action.

2. Education, qualifications and experience

What are the top skills you look for when recruiting in payroll?

ND: That's a big question. Broadly, employees are now deemed as consumers, and employee engagement can have huge ramifications on the effectiveness of your business performance. In payroll, the ability to understand and engage with employees is more important than ever.

LD: I look for someone with the ability to question and interrogate data, who has a thirst for knowledge and who wants to continue to develop. Report writing is another important skill; being able to extract data from a system, spot trends and highlight issues and present that to help business decision making.

LO: Payroll recruitment can be challenging. I look for candidates who can be creative and are open to change. In a bureau environment, clients will come with questions and ask for new ways of doing things, and I need someone who can help make this happen and provide clients with the data they need.

BS: We're a customer service function, and in those interactions the softer skills come in. Payroll professionals need to communicate with so many different levels of customers, they need technical skills and the ability to keep up to date. We're looking for a fantastic array of skills.

CP: I'm looking for an ability to consult. It's difficult to teach that skill; how you build relationships and trust and ultimately how you engage with people. It's also important individuals take accountability for the end-to-end service and take action to drive through initiatives, share knowledge and train others. Payroll requires dynamic and collaborative working.

JC: A lot of what we're talking about is behavioural, the ability to join up the dots is important. Payroll managers and leadership teams need to step away from the transactional processing and drive

forward to show how payroll can add real value to the business.

Are qualifications or experience more important in recruitment?

LD: The two go hand in hand. I always do a knowledge practical test at recruitment stage. If I had to choose, I would veer towards experience, but the CIPP qualifications give a great underpinning of knowledge.

CP: I'd choose experience over qualifications; however, qualifications show me that the candidate has made a conscious choice to invest in their payroll career. I'd also be an advocate of my team doing qualifications that fit with what they want to do.

ND: It's 100% experience and behaviours, but it's not that qualifications aren't important. Indeed, I am always studying and am passionate about qualifications as they show a commitment to your profession. Also, salaries are higher with CIPP qualifications, so candidates are typically rewarded for having these.

3. Payroll and financial wellbeing *How could pay on demand impact the traditional payroll cycle?*

BS: Pay on demand will destroy the traditional monthly pay cycle. This isn't restricted to certain sectors, it is a generational topic and millennials are used to having instant access – and this will include pay, too.

ND: This is a huge buzz word at the moment. I think we'll see a shift towards pay on demand in low pay sectors and for shift working, but I don't see it being widely accepted. We're used to the monthly pay cycle and moving away from that is underestimating the power of human habit.

What role will payroll play in financial wellbeing?

CP: We need to go back to education and the national curriculum and explain what a personal allowance is, talk about salary and payroll, and explain the importance of saving at a young age. Young children don't have that education at the moment.

LD: Payroll can play a part to help people become aware of resources that are already there, such as the married couples or working from home allowances. We must be careful about what is guidance and what is advice, but employers could

certainly support employees more with advice around pensions when making retirement decisions.

JC: Wellbeing strategies are about understanding needs, educating, and supporting. Payroll has a great opportunity to signpost employees and clients to support all three of these areas and move toward that strategic value add function.

4. Remote working and the future of payroll

Is home working the future of payroll?

LO: Remote working is on people's minds; previously payroll couldn't work from home and now we've shown it can be done. It has got to be the choice of the individual, and employers have to embrace that approach. We know it doesn't affect the ability for you to perform.

ND: Candidates are starting to demand homeworking; however, old-school leadership and a lack of trust is a problem. So, leadership skills must evolve. Employee choice should win out because good talent will leave and the cost of losing experienced talent outweighs the cost of keeping them. Hybrid working seems to be the most overriding preference in our research, and hiring managers are starting to accommodate this more. Remember, if you want the top talent, they will ask for more.

JC: High performing organisations tend to be those that focus on output and have an innate belief that people are doing their best to do a good job. Those who choose to micromanage have seen increased mental health issues and have had to introduce further controls to check what is going on. Business must adapt their culture to make the most of this type of working. ■

Closing comments

Payroll skills continue to evolve and adapt alongside the ever-changing landscape of the payroll profession. Technology does, and will, continue to play a significant part in what payroll teams deliver, making the ability to analyse and interrogate data more, not less, important. Payroll professionals must embrace and look for the opportunities that allow them to play a strategic part in the business; and payroll leaders should welcome and encourage change to build on those vital skills and maintain that experienced talent within their organisation.

Workplace imposter syndrome

Dr Lynda Shaw, neuroscientist, business psychologist and change specialist, discusses effects and remedies



Imposter syndrome (IS) is the belief that you are not as competent as others think you are, or that you don't deserve the success you have. The term, coined in the 1970s, was originally thought to apply mostly to high-achieving women who strove for the impossible goal of perfectionism. Today it is recognised that you are more likely to suffer IS if you have low confidence, perfectionism tendencies, do not feel fully included or have mental health symptoms such as anxiety. It can affect anyone regardless of gender, job, age or social status.

IS affects an individual's self-esteem and is dominated by feelings of self-doubt. People with IS may think they only have got their job at work because of sheer luck and not because of their credentials, degree or expertise. They reject praise and downplay achievements which can impede career growth. IS may cause that person to struggle with making tough and unpopular decisions due to fear, which then fuels a self-fulfilling prophecy of failure.

IS also affects the organisation by negatively impacting the mental health and wellbeing of employees which can result in workplace absenteeism and project setbacks. It causes individuals to retract and isolate themselves which is detrimental to workplace relationships and effective communication. The constant fear of failure related to IS leads to decreased creativity and innovation.

If there is a bias or lack of diversity and inclusion at work, and you are in a minority, this can influence someone suffering with IS to work excessively because they feel they need to prove themselves more than others.

To overcome IS adopt the following.

● **Change your narrative** – by noticing and reflecting on any self-deprecating habits and language that you use about yourself and see if you can replace them with

something positive. Listen to others who say they enjoy working with you or thank you for your contribution, and take a moment to notice and compare those comments with your own self-assessment.

...affect anyone regardless of gender, job, age or social status.

● **Surround yourself with people who make you feel good about yourself** – and avoid toxic individuals. Equally return the favour and show kindness to others which as a by-product increases your production of oxytocin, a hormone responsible for feelings of happiness.

● **Work out the real ways to measure your success** – develop your own workplace values and what is important to you. Look back on how far you have come and all that you have learnt.

● **Question irrational thoughts** – always be cognisant of irrational beliefs and thoughts, such as that work colleagues are pitying you when they congratulate you for work well done.

● **Avoid making comparisons** – making comparisons and focusing on other peoples' lives rather than your own is a waste of energy and can incite resentment or jealousy which are two very draining emotions. Notice those feelings and turn them into being pleased for someone else's achievements and that they too deserve success, just like you do. Perfection is an illusion, and your best is good enough.

● **Be kind to yourself** – recognise your achievements and allow others to praise you for them. Forgive yourself if you make a mistake and treat mistakes as an opportunity to learn. There is no need to push yourself to the limit and

beyond. Reserve some time in your week to recuperate and treat yourself. Self-compassion strengthens internal psychological safety and promotes feelings of courage and adventure.

● **Identify what is helping or hindering your success** – Ask yourself questions like: What do I need less of in my life? What do I want more of? How can I live my best life? What am I grateful for today? Engaging in these kinds of questions helps you to identify the things that are affecting your self-esteem and confidence.

● **Share your feelings** – Having a chat with someone who knows you well can often give you a more reasoned way of looking at things and help you see what is rational and what is not. Irrational beliefs are likely to fester when they aren't addressed or talked about. Be aware if you are suffering from anxiety or depression, and seek help.

● **Acknowledge instances when you feel you don't belong and know that you do** – There will be times at work when you feel out of place, perhaps because of your age or gender or because you genuinely lack experience in an area being discussed, but that doesn't mean you don't deserve to be there. Inclusion and diversity benefit the workplace in countless ways from more creative thinking to promoting respect, and diverse and inclusive companies are far more likely to outperform their less diverse competitors.

● **Celebrate your success** – as an individual and as a team. Success is rarely down to timing or simply good luck. Remember hard work, experience and being skilled has led you to where you are at work. Write down your successes to remind yourself that you are good enough. Accept and enjoy the compliments and offer some of your own to others. Build connections and a network of mutual support. ■



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Payroll news

Employer Bulletin

THE AUGUST 2021 issue of HM Revenue & Customs' (HMRC's) *Employer Bulletin* (<https://bit.ly/3yPVbi3>) includes a wide range of information, including content about off-payroll working (IR35). The Bulletin reveals that the check employment status tool now has links from certain questions to HMRC's new webchat so users can talk to an advisor if they are having difficulty answering a question.

Employer NICs reliefs

HMRC's SOFTWARE developer support team has issued guidance for software developers on the class 1 National Insurance contributions (NICs) reliefs available for employers of veterans and also for the businesses located within Freeports.

● **Veterans** – Although the relief for employers of veterans has been available since 6 April 2021, a real time Information (RTI) solution is only being introduced from 6 April 2022. The relief is available on earnings up to a newly created veterans upper secondary threshold (VUST), which will be in alignment with the upper secondary threshold (UST). Employer NICs of 13.8% are applied to earnings above this level.

Employers must place employees on NICs category letter V to claim the relief in real time. If there are any employees who would ordinarily have a different NICs letter (e.g. B, T, C, W, J, Q) then they should be placed on the standard code, and the employer must liaise with HMRC at the end of the tax year to arrange a manual process for the NICs relief to be claimed.

● **Freeports** – From 6 April 2022, there will be an employer NICs relief for businesses situated within Freeport locations. The RTI solution will be in place in time for the policy's introduction, with four new NICs letters created, as follows:

- F – standard category letter
- I – married women and widows entitled to pay reduced rate NICs
- S – employee above state pension age
- L – employees who defer NICs.

The employer NICs relief will be available on employee earnings up to the Freeports UST, and above this amount, employer NICs of 13.8% will apply.

To be eligible, employees must be new hires following April 2022 and must not have worked for that employer in the previous 24 months. They must also spend a minimum of 60% of their working time within the Freeport tax site.

EPS changes from April 2022

THE EMPLOYER payment summary (EPS) is changing from April 2022. Construction industry scheme (CIS) claims that are over the value of £0.00 will require an associated corporation tax (CT) unique taxpayer reference (UTR) to be added to a new data field. Validation will operate so that if a CT UTR is not recognised, the EPS may be rejected. It will also mean that if there is no eligibility to make set-off claims under the CIS in that tax year the EPS can be rejected.

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

PAYE settlement agreements

Lora Murphy ACIPP, CIPP policy and research officer, provides a reminder of the rules



PAYE (pay as you earn) settlement agreements (PSAs) can be used by organisations to submit one annual payment comprising all the tax and National Insurance contributions (NICs) relating to minor, irregular or impracticable expenses and benefits that have been provided to employees.

Where a PSA has been granted by HM Revenue & Customs (HMRC) for such items, there is no requirement to process them through the payroll for the purposes of income tax and class 1 NICs, or to include them in P11D returns, or to pay class 1A NICs on them at tax year end. Instead, class 1B NICs will be payable as part of the PSA.

What can be included

Expenses or benefits included in a PSA must be minor, irregular, or impracticable.

A common-sense approach should be applied when determining which expenses and benefits fall within these categories. An example of a minor benefit or expense could be a small gift or voucher or a telephone bill.

Irregular benefits and expenses are things that employees have no contractual right to, which are not paid at expected intervals throughout the tax year. Where benefits and expenses are paid at regular intervals, this could mean that they become 'custom and practice', potentially meaning that they could no longer be classed as irregular. One example of irregular benefits or expenses includes expenses incurred by a spouse when accompanying an employee abroad.

Impracticable expenses and benefits are those that are difficult to assign a cost to, or to fairly share out between employees, e.g. tea and coffee, or staff entertainment that is not exempt from tax or NICs.

What is excluded?

Whilst the focus here has been on what can be included in a PSA, it is particularly

important for employers to be equally mindful of the items that are excluded.

Wages and cash payments, such as bonuses, round sum allowances and beneficial loans cannot be included. Nor can benefits of a high value, such as company cars.

There is no requirement to include trivial benefits in a PSA.

...remains in place until the organisation or HMRC cancels it, or until the organisation needs to amend it.

The associated deadlines

Organisations must apply for a PSA by 5 July following the first tax year to which the arrangement relates.

Payments of tax and class 1B NICs owed under a PSA must be made by 22 October latest if paying electronically (or 19 October, otherwise) following the tax year to which the PSA relates. It is important for organisations to be aware of these dates and to arrange timely payment as they could potentially be fined or charged interest where the payment deadline is missed.

If a PSA is first approved prior to the start of a tax year, any expenses and benefits contained in the agreement can be included.

Expenses and benefits provided prior to the agreement date and which have already been included in the employees' tax codes or in PAYE tax and NICs calculations must be reported in the P11D return.

Similarly, if a PSA is approved between 6 April and 5 July, expenses and benefits that were provided during the tax year and already included in the employee's tax

codes or in PAYE tax and NICs calculations must be included in the P11D return.

Obtaining a PSA

There are several steps that an organisation must take to get a PSA.

The first step involves contacting HMRC in writing detailing the expenses and benefits that the PSA is to cover. When HMRC has agreed which items can be included, it will send the organisation two draft copies of form P626. Both copies need to be signed and returned. At this point, HMRC will authorise the request and provide the organisation with another form, which is the organisation's PSA.

Anything that cannot be included must be reported using P11D returns unless the expenses or benefits are being processed via payroll.

Form PSA1 will assist organisations in calculating the full amount owed. Employees need to be recorded separately in the form based on the tax bracket they fall under. This form should be sent to HMRC as soon as possible following the end of the tax year, at which point HMRC will confirm how much income tax and class 1B NICs are owed.

The address for contacting HMRC in relation to PSAs is available online, here: <http://ow.ly/WN6A30rMf3T>.

A PSA remains in place until the organisation or HMRC cancels it, or until the organisation needs to amend it. There is no requirement for the PSA to be renewed annually.

Changes, or cancellation

Details of changes to the items covered by a PSA must be sent to the HMRC office that issued the original PSA. HMRC will then send a revised P626 form which the organisation must review, sign and return.

To completely cancel a PSA, the return slip section of the P226 must be completed and sent to HMRC. The PSA will be cancelled from the date in the return slip. ■



The future of the CJRS

The CIPP policy and research team discuss what is next for the CJRS and what payroll professionals should be aware of as we slowly transition out of the pandemic

On 20 March 2020, Rishi Sunak delivered a speech that would continue to have implications for payroll professionals for years to come. On that Friday evening, after a turbulent week of government announcements and media coverage, the newly appointed chancellor announced the introduction of the coronavirus job retention scheme (CJRS). The words “for the first time in our history, the government is going to step in and help to pay people’s wages” rang profoundly in the ears of the payroll profession who were suddenly thrust centre-stage of the Covid-19 support measures.

The concept of furlough was foreign to most payroll teams at the beginning of 2020, yet now the scheme has been extended for the fifth time to the end of September 2021. Eligibility criteria have been updated to capture employees with start dates over three different periods, and employer contributions to the scheme have changed no less than six times. In July, the introduction of flexible furlough provided much needed agility in the scheme, but unfortunately this also brought with it more complexity and administration for teams managing these payments.

The CJRS has been a resounding success – it has saved countless jobs and kept businesses afloat in the most challenging of circumstances. For many payroll teams,

it has also provided a platform to highlight to organisations the capabilities of an often-overlooked function. Payroll teams have remained adaptable and agile in their response times to changing legislation and guidance. We were recognised as key workers and led the way in technology and process changes to ensure proper management of CJRS implications. Payroll, for perhaps the first time, had an undeniable impact on the bottom line.

...designed to target deliberate fraud, and its consistent message is that it is not looking to investigate genuine mistakes.

CJRS has, of course, come with some drawbacks. The cost of the scheme (at the time of writing) is over £64 billion – to put that into context, that is 140% of the total government borrowing for the whole of 2019. It is inevitable that this level of cost will take generations to repay. The level of government spending throughout

the pandemic has led to the creation of the Taxpayer Protection Taskforce (TPPT). Announced in the Budget speech in March 2021, the TPPT is a £100,000,000 investment targeted at tackling fraud in Covid-19 support schemes.

The return of furlough

‘Unprecedented’ was a term that was used on an almost daily basis in 2020. The government, employers and employees approached life and work through a completely different lens as a result of the pandemic. However, in the future, economic downturn and recession now have a precedent to consider – CJRS.

Shifting to an employment status of ‘furloughed’ has created the ability to keep unemployment rates down, support individuals and businesses in economic uncertainty, and will inevitably be something that will be put to the government in the future. Some individuals are already campaigning for a permanent furlough scheme since downturns aren’t solely linked to recessions, and it is quite possible that by the time this article is published, an extended or amended scheme will be made available past September 2021.

Although many treat payroll professionals as amateur psychics (“of course I should have known Bob was leaving even though you didn’t tell me!”), the truth is that we

don't know if furlough will become a permanent part of our role. However, it is incumbent on payroll teams and leaders to remain close to guidance and legislative changes, and work with software providers to ensure that should we need it again we're able to continue to keep the UK paid.

CJRS audits

The TPPT will look to payroll teams over the coming months and years to understand how businesses remained compliant with the complex and challenging guidelines and legislation surrounding CJRS. The TPPT is designed to target deliberate fraud, and its consistent message is that it is not looking to investigate genuine mistakes. Of course, the onus will be on payroll teams to demonstrate how they implemented systems, processes, and compliance checks to evidence that there was no fraud taking place.

In May 2021, the TPPT issued 10,000 letters to employers who they believed may have made mistakes with their claims, urging them to check their claims, to confirm to HM Revenue & Customs (HMRC) if they had overclaimed and to repay any amounts due. Employers that did not satisfy the TPPT query will inevitably face further investigation in the future.

An early part of the CJRS guidance confirmed that employers should retain their furlough records for six years, including:

- the amount claimed and claim period for each employee
- the claim reference number
- calculations for the claim
- usual hours worked, including calculations for flexibly furloughed employees
- actual hours worked for flexibly furloughed employees.

In addition to the above, employers should also have evidence of the change in the employee's employment status, changing them to become a 'furloughed employee'. Employers would also be encouraged to maintain process records to show how they ensured employees did not work during furloughed periods.

Whilst the TPPT is currently focused on deliberate fraud, HMRC has the power to issue penalties where employers were in receipt of a grant to which they were not entitled. The onus sits with the employer to check their claims are accurate, and employers have a set timeframe to repay once an error is identified.

Some have commented that this

approach deters employers from checking claims, since the onus of repayment only appears when the employer finds out about a mistake. However, HMRC has made it clear that where employers are unaware of an overclaim, no penalty will be charged providing that the amount is paid back in the relevant time period. That time period ends on 31 January 2022 for sole traders or partners, and for organisations it ends twelve months from the end of the accounting period.

HMRC is giving employers time to review and check claims for accuracy. There is clear acknowledgement that mistakes can happen; however, payroll professionals should not assume that this provides them with reassurance not to audit the accuracy of claims made. The retention requirements of six years offer a clear indication that, whilst initial inspections will be looking to combat fraud, there is still potential to revisit claims where genuine errors resulted in overclaims.

...ethical question of whether it is right for businesses that turned a significant profit to retain this funding...

A chain reaction

Though September may bring an end to the CJRS, the knock-on impact that the scheme has had will continue to be felt for months, and possibly years to come.

Women who have been furloughed who go onto maternity leave must have their average weekly earnings calculated based on their normal pay, not their earnings under the CJRS. This will mean that payroll teams will need to consider earnings in the qualifying period and whether or not they have been impacted by furlough. This can be particularly complex when working with flexible furlough or individuals who work variable hours.

Unfortunately, termination payments will be an inevitable calculation across many payroll teams, and payroll professionals must ensure that redundancy payments are reflective of the employee's normal earnings, not their furloughed rate of pay. For those

on notice of termination, they should not be furloughed during the notice period as it will not count towards their notice entitlement.

Reduced earnings through furlough periods have potential to impact the P60 certificate figures for three tax year ends. Anecdotally, employees are already seeing problems created by this when applying for mortgage applications. Banks have confirmed that mortgage applications will be possible, but eligibility would be based on furloughed income.

The ethical picture

In 2020, many employers opted to use the CJRS in the midst of an uncertain economic outlook, but since then employers, such as Halfords, Ikea and Primark, have been reported to have repaid their CJRS claims. In these businesses, the financial impact of Covid was not as significant as first predicted, which made repayment a viable option.

CJRS is not limited to organisations that have suffered a financial detriment due to the pandemic. Companies that left 2020 in a positive financial position are not being asked to return funds received; however, businesses such as XPO logistics have already come under fire for paying out large amounts of bonuses whilst having received millions of pounds in CJRS claims. The ethical question of whether it is right for businesses that turned a significant profit to retain this funding is likely to continue to make headlines in future. Given the level of debt the UK has incurred, I would suggest that companies that find themselves in a similar situation look to the heart of the scheme – to save lives and livelihoods – and consider whether the scheme has enabled this, or whether it has simply created a healthier bottom line.

Final summary

Payroll professionals will not be able to turn off the lights on CJRS when (or if) it ends in September. The wider implications on audit, statutory payments and the unknown potential for future schemes will be just some of the considerations for payroll teams across the UK. The economic impact of CJRS goes further still – the debt built up by this scheme will be paid back for generations to come. For that reason, businesses should be encouraged to review their claims with hindsight, in the wider context of their year end position and to consider whether the example set by Ikea, Halfords, and Primark is something they could follow. ■



Tax year-end review

PLANS FOR THE DAY :

The CIPP policy and research team discuss some of the potential implications were the end of the UK tax year to be moved as outlined in a recent scoping paper

To some it's just another day in the year, but to the payroll profession 5 April is a momentous date as it marks tax year end – but could that soon change? The Office of Tax Simplification (OTS) has announced a review that could see this date move to 31 March or even to 31 December (<http://ow.ly/uXBC30rL4Pc>).

Whilst some may wish to cling onto the centuries-old, traditional end date, there are legitimate arguments to pursue the move. Globalisation means many businesses operate internationally, and the lack of alignment across borders increases complexity for global companies.

Given the economic implications of the pandemic, the Treasury will inevitably want to take a cautious approach to ensure that any change does not have a detrimental impact on economic recovery. So, any change to the tax year will take considerable planning to be successful.

Income tax and NICs

A move to a new tax year would result in either a 270-day transition year (to 31 December) or a 360-day transition year (to 31 March).

An obvious consideration of this shortened tax year will be the effect on the annual thresholds that attach themselves to calculations for income tax and National Insurance contributions (NICs). The latter thresholds are usually applied on a weekly

or monthly basis and will need to be adjusted to reflect the shortened year. Would government opt to amend the thresholds applied every month to reflect the transition, or would employers be required to adjust a single pay period in a different way?

Thresholds, however, are only part of the story.

The income tax personal allowance will need to be adjusted to reflect the shorter transition year year and to avoid providing individuals with too much tax relief. Tax codes can be made up of multiple allowances; for example, the working from home allowance, and the marriage transfer allowance. All the elements that can impact the overall tax calculation must be reviewed and prorated to prepare for a shortened tax year. Annual allowances are not the only consideration.

Tax codes can often be amended to recoup monies owed from earlier or current tax years. During the transition tax year, HM Revenue & Customs will need to consider how these recoveries can be accurately collected, and whether recovery should take place over more than one year – particularly if the move takes the UK to a tax calendar year.

Legislation underpins many elements here, and government must also work to implement amendments to these so as to deliver a new tax year effectively.

Statutory payments

Typically, every April features changes (usually increases) to a range of statutory payments, including sick pay, maternity pay, paternity pay, and a week's pay for various purposes, such as redundancy pay. The exact date at which an increase might apply varies: it can often be from the first Sunday in April (regardless of whether this is before or after 5/6 April), but for statutory sick pay and a week's pay the changes normally occur on 6 April.

Though increases to statutory payments etc in April are controlled by social security and employment law, they are related to the start of the UK fiscal year. So, a change to 31 March would not create a significant change to timings but moving to 31 December might well do so.

Budgets and announcements

Although this year saw Budget announcements in March, many if not all of them would usually be expected in the autumn preceding the new tax year, thereby giving payroll teams and payroll software providers the chance to prepare and react to the proposed changes.

Whilst a tax year end change to 31 March would not warrant changes to the existing Budget schedule, a change to 31 December would mean the government having to adjust their schedules quite significantly. It could mean that the transition year would feature two Budget announcements within six to nine months of each other.

Software implications

Payroll software is built to deliver accurate and timely results based on the existing

...the Treasury will inevitably want to take a cautious approach to ensure that any change does not have a detrimental impact ...

tax year. Adapting to a new tax year, including building a solution to manage the transition year will be a complex process for developers. Standard tax tables built into solutions will need to be redesigned, whilst ensuring it is possible to retain the legacy data. Those tables will often link through to other modules and pay elements and be used as the basis for many calculations. These links will need to be unpicked and reassigned to accommodate these changes. This development will come at a cost, and it is inevitable that consumers will need to foot the bill – either as a one-off payment or in the form of an overall price increase.

Benefits in kind

The calculations for benefits in kind are well established, but a change to the UK tax year would result in a year that is less than 365 days. Consequently, the calculations will need to be adjusted to reflect this reduction, and software will need to be capable of supporting these calculations during the transition year.

Dates and schedules

The proposed changes will result both in a

change to the tax year end date, but also to the tax month end date. The potential consequences here are significant. Currently, PAYE (pay as you earn) payments are due by the 22nd proceeding the end of the tax month (or 19 April, if paying by cheque). Will the seventeen-day gap be maintained, bringing the payment date forward to the 17th of the month, or will government maintain existing deadlines and increase the time available to payroll teams to reconcile and pay amounts due?

...government must ensure they are adequately prepared to facilitate the smoothest possible transition...

Other well established payroll deadlines would also need to be reviewed – P60 certificates distribution, P11D and P11D(b) returns deadlines, and PAYE settlement

agreements too. A move to 31 March would make it viable to retain existing dates, but a move to 31 December would lead to an inevitable change in approach for all these key payroll documents, returns and payments.

All the above will have an impact on cash flow and payroll schedules. Schedules are often well established, and where vast numbers of payrolls and pay frequencies are involved can be incredibly complex. Recreating payroll schedules in the simplest of environments will be a challenge, recreating them in these complex environments will feel almost impossible for many payroll teams already tackling difficult business demands.

So, what next?

Payroll professionals constantly adapt and manage change in their roles, and a change in tax year would not be an impossible task. Before any change is made, however, the government must ensure that the benefit outweighs the cost of implementation.

There are many items to consider in planning this change and government must ensure they are adequately prepared to facilitate the smoothest possible transition. ■

We want to hear from you

A change to the tax year-end date would have significant impact on the work that payroll professionals carry out, and around some of the documentation that needs to be provided to employees by those teams.

The CIPP's policy team wants to hear from you – our members – as this is something that will impact you directly. We want your voice to be heard.

Some questions for consideration are suggested below:

- ❓ Should the tax year-end be changed?
- ❓ If tax year-end is changed, then should it be moved to 31 March or 31 December, as proposed?
- ❓ What are the key areas that need to be considered before any changes are made?

Get in touch with us, at policy@cipp.org.uk to share your views on the OTS's proposals.

Please submit your comments by no later than **30 September 2021**.

We know payroll professionals are extremely busy people, so we thank you for your feedback in advance. *Don't miss the opportunity to have your say!*





Notional payments

Mike Nicholas MCIPP, editor of *CIPP's Professional magazine*, provides a reminder of the complex compliance issues



The term 'notional payment' applies to a range of payments made to employees that are not in the form of cash but which must be treated as cash for purposes of pay as you earn (PAYE) and National Insurance contributions (NICs).

Section 710 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) defines a range of payments that are to be treated as notional payments, including the following.

- **Cash vouchers** – A 'cash voucher' is a voucher, stamp or similar document that can be exchanged for a sum of money that is greater than, equal to, or not substantially less than the expense incurred by the person at whose cost the voucher, stamp or similar document is provided. If an employer gives a cash voucher to an employee, the employer is treated as making a payment of income equal to the amount for which the voucher is capable of being exchanged. However, this provision does not apply if the cash voucher is used to meet business expenses or is exchanged for an amount that is used to meet business expenses. The payment is treated as being made at the time the employee receives the voucher. (ITEPA s.693, <https://bit.ly/3fQFY8W>)

- **Non-cash vouchers** – A non-cash voucher is a voucher, stamp or similar document or token that is capable of being exchanged for money, goods or services,

a transport voucher, or a cheque voucher, but does not include a cash voucher.

...the amount of tax that the employee fails to repay to the employer within ninety days of receiving the notional payment is treated as a benefit to the employee...

If an employer gives a non-cash voucher to an employee, and the voucher is either capable of being exchanged for anything that would fall to be regarded as a readily convertible asset (RCA), or itself would fall to be regarded as an RCA (see below), the employer is treated as making a payment of income equal to the cost of the expense incurred in or in connection with the provision of the voucher, and the money, goods or services for which it is capable of being exchanged by the person at whose cost they are provided. (ITEPA s.694, <https://bit.ly/3xApCrc>)

- **Credit tokens** – A credit token is a credit card, debit card or other card, a token, a document or other object given to a person by another person who undertakes on the production of it, to supply money, goods or services on credit, or if a third party supplies money, goods or services on its production, to pay that third party for what is supplied. (ITEPA s. 695, <https://bit.ly/3s6zW2y>)

- **Readily convertible assets (RCAs)** – If an employee receives income in the form of a RCA, the employer is treated as making a payment of income equal to the amount that, on the basis of the best estimate that can reasonably be made, is the amount of income that is likely to be the PAYE income for the asset. Examples of readily convertible assets are stocks and shares, gold bullion, commodities, loan securities and bonded goods. (ITEPA s.696, <https://bit.ly/2VFscPd>)

- **Enhancing the value of an asset** – An employee is treated as having received a RCA if provided with anything that enhances the value of an asset in which the employee, or a member of the employee's family or household, already has an interest, and the asset, with its value enhanced, would be treated as a RCA if it were provided at the time of the enhancement. (ITEPA s.697, <https://bit.ly/3Autb42>)

- **Charges on employment-related securities** – A charge to tax arises in

several different situations involving employment related securities. The value of the benefit counts as employment income for the employee. The benefit is treated, for both PAYE and NICs purposes, as a RCA. (ITEPA s.698, <https://bit.ly/3jFWidF>)

● **Gains from securities options** – When an employee acquires securities from a securities option, the value of the benefit, counts as employment income for the employee. The benefit is treated, for both PAYE and NICs purposes, as a readily convertible asset. (ITEPA s.700, <https://bit.ly/3s5TCd4>)

In addition, the notional payment rules operate for payments made by an intermediary of the employer (ITEPA s.687); and payments made by a non-UK employer (ITEPA s.689).

Tax liabilities

The tax liabilities on notional payments are, initially, handled under PAYE. However, if the employer and the employee fail to follow the statutory procedures correctly, some or all of the value of the notional payment may have to be treated as a benefit in kind, resulting in both the employer and employee incurring additional costs. The procedures, which are punitive in terms of the additional tax that the employee must pay and the additional secondary class 1 NICs that the employer must pay, are intended to compel compliance.

Note that the term ‘employee’ includes office-holders, e.g. company directors and company secretaries, even if they do not have a contract of employment.

In the circumstances described, below, the amount of tax that the employee fails to repay to the employer within ninety days of receiving the notional payment is treated as a benefit to the employee and is reported in the P11D return. The same amount is also used to determine the class 1 NICs liabilities.

The value of the notional payment or, in the case of RCAs their estimated value, is notionally added to gross pay for PAYE purposes. The resulting tax liability is deducted from the employee’s earnings, to pay the tax charge.

In some cases, the employer may be unable to deduct the full amount of income tax because, for example, the amount due is more than the whole of the employee’s cash wage for the pay period.

If this situation arises:

- the employer must, nevertheless, pay the full amount of the tax and NICs due in respect of the employee’s gross pay to HMRC Accounts Office by the next normal payment date, and
- the employee must repay the amount of tax that the employer has been unable to deduct to the employer within ninety days of receiving the notional payment.

...employer has settled the employee’s pecuniary liability and the outstanding amount becomes liable for class 1 NICs in the earnings period in which the ninety-day period ends.

The result of this procedure is that, until the employee makes reimbursement, the employer has to bear the cost of the tax that could not be deducted from the employee’s earnings.

Throughout this procedure, the liability for the income tax due on the notional payment remains with the employee. The payment is only treated as settling the employee’s tax liability at the end of the ninety-day period if the employee has failed to reimburse the undeducted tax by that time.

If the employee fails to reimburse some or all of the undeducted tax by the end of the ninety-day period, the amount unpaid at that time is treated as if the employer had met the pecuniary liability of the employee, i.e. the tax owed by the employee to HMRC. The amount unpaid is ‘money’s worth’ (ITEPA, s.62) in the hands of the employee and creates an additional tax reporting requirement and a further class 1 NICs liability.

Where, for practical reasons, it is not possible for the employee to make the reimbursement by means of a payment to the employer within ninety days, it would

be acceptable for another reimbursement method to be used, such as the parties entering into a loan agreement, whereby the employer loans to the employee the amount necessary for the reimbursement, and the employee is contractually required to make regular loan repayments. Such an arrangement may have tax liabilities under the beneficial loan provisions.

Other arrangements that purport to meet the reimbursement requirement are payments into escrow accounts, or into a director’s loan account, or indemnity contracts. These arrangements, however, do not satisfy the reimbursement requirement as no payment has been made directly to the employer.

The amount of the tax unpaid at the end of the ninety-day period is treated as a settlement by the employer of the employee’s personal liability for the income tax due on the notional payment. It is reported in section B – Payments made on behalf of employee, on the line specifically designated ‘Tax on notional payments not borne by employee within 90 days of receipt of each notional payment’. If the employee repays the tax due after the end of the ninety-day period, that does not remove the reporting requirement or the resulting tax charge for the employee.

Class 1 NICs

The NICs liabilities on the various kinds of payments that are defined as ‘notional payments’ for tax purposes are to class 1 NICs. The amount on which tax is due under PAYE is the amount that is liable for class 1 NICs. The resulting primary NICs are deducted from the employee’s earnings in the earnings period in which the notional payment is made.

The amount of tax that is paid to the HMRC is also treated as earnings for class 1 NICs purposes. Consequently, if the employee fails to reimburse the undeducted tax within the ninety-day period, the employer has settled the employee’s pecuniary liability and the outstanding amount becomes liable for class 1 NICs in the earnings period in which the ninety-day period ends.

Even if the employee subsequently repays the tax, the NICs liability will stand and cannot be refunded. As the NICs liability and the tax reporting requirement occur at different times, employers must take care to meet both requirements. ■

Employment

The creation of a single enforcement body

The CIPP policy and research team discuss the continuing developments albeit no firm implementation timeline yet exists

In 2018, the government published the *Good Work Plan* (<http://bit.ly/2mQkLDY>) setting out a vision for the future of the labour market, including plans for implementing recommendations of the *Taylor Review of Modern Workplace Practices* (<http://bit.ly/2mf2s1f>). Amongst other things, the *Good Work Plan* recognised the fundamental role that enforcement plays in ensuring workers actually receive their rights.

In July 2019, a consultation (<http://ow.ly/fcYj30rOwZ>) launched exploring the possibility of combining the three current market enforcement bodies: HM Revenue & Customs (HMRC) National Minimum Wage Enforcement, the Gangmasters and Labour Abuse Authority, and the Employment Agency Standards Inspectorate. The move will create one instantly recognisable brand helping employers and workers to know where to go for guidance and advice, ensuring vulnerable workers receive the money to which they are entitled.

The new single enforcement body will be responsible for combatting breaches relating to:

- the national minimum wage (NMW)
- modern slavery (with focus on the requirement for larger businesses to publish an annual modern slavery statement)
- employment agencies
- holiday pay for vulnerable workers, and
- statutory sick pay (SSP).

Additionally, focus will be placed on the regulation of umbrella companies – an area that we have frequently seen discussed in the media over the past few months and years.

Alongside protecting workers, it is hoped that the single enforcement body will create a more level playing field for businesses that comply with the law, with a clear focus placed on tackling non-compliance and targeting unscrupulous employers.

Historically, the different departments

have not worked collaboratively, but this was unintentional. By bringing the different knowledge and expertise from the different teams together, this should lead to a more co-ordinated approach to enforcement. It will also mean that data can be shared between departments more effectively.

...a more level playing field for businesses that comply with the law, with a clear focus placed on tackling non-compliance and targeting unscrupulous employers.

Fast forward to June 2021, and the government released its response to the consultation (<http://ow.ly/8zPO30rOfqL>). This confirms that the single enforcement body will be created.

The consultation response confirms that there will be four key elements to activities that the single enforcement body will undertake:

- **Guidance** – The body will assist employers in meeting their legal obligations and will be on hand to provide detailed technical advice on any relevant topics.
- **Sharing of knowledge and data** – By combining the forces of the teams, this will ensure that non-compliance can be spotted, and subsequently sorted, at a much earlier stage.
- **One single brand** – Workers and employers will know where they can go to seek advice or to report bad practice.

● **Enhanced powers** – The single enforcement body will have enhanced powers, and the authority to enforce SSP and holiday pay. New powers will also be awarded to tackle non-compliance.

Some of the practices that are already carried out will continue, such as the Department for Business, Energy, and Industrial Strategy's (BEIS's) naming and shaming scheme, which publicly names businesses that have breached NMW rules. Undoubtedly, with enhanced data and knowledge sharing, the single enforcement body will have the ability to identify breaches more efficiently, hopefully encouraging more employers to pay their staff correctly. The body will have the ability to issue civil penalties that match current NMW breach charges – typically, 200% of the underpaid salary, ranging from anything between £100 and £20,000 per worker.

Whilst we have confirmation that the single enforcement body will be created there is currently no launch date, and no estimated timeline has been provided. The official stance is that the body will be created when 'parliamentary time allows'. Many anticipated that it would be incorporated as part of a new Employment Bill, which was first referenced in the Queen's Speech in December 2019. However, there was a distinct lack of reference to this new Bill in the Queen's Speech that was delivered in May 2021. ■

The CIPP's policy team will be alert for any announcements relating to the single enforcement body, as it is undoubtedly an area that will impact the work of payroll professionals.

The CIPP wholeheartedly supports anything that works to combat non-compliance and to ensure that people are paid what they are entitled to, so we are hoping it is created sooner rather than later. All that remains to say now, is watch this space!

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Welfare counselling tax exemption

Beverley Gibbs, employment taxes consultant for PSTAX, discusses the issues for employers



The Coronavirus pandemic has highlighted the need for employers to look after the mental health and wellbeing of employees if they are to have happy and effective workforces. The social isolation for many while working from home, together with the anxiety caused by the pandemic, has meant that the mental health services within the NHS (National Health Service) have been put under increasing strain.

Employers have long-recognised the importance of providing help and assistance to their employees through a confidential employee helpline that offers welfare counselling and advice. This is generally provided to employees through an employee assistance programme (EAP). Many of us know about these programmes and the services they offer but may not be aware of the tax and National Insurance contributions (NICs) implications.

Although the provision of counselling is a chargeable benefit under general principles when provided by an employer, there is an exemption that covers certain welfare counselling services.

The exemption does not cover all types of welfare counselling and the counselling services that are included make it easy to stray outside of the exemption as it is tightly drawn.

The exemption is conditional on the benefit being made available to the employer's employees generally on similar terms.

What is included

HM Revenue & Customs (HMRC)

advises that the types of counselling that the exemption is intended to cover include the following: stress; problems at work; debt problems; alcohol and other drug dependency; career concerns; bereavement; equal opportunities; ill-health; sexual abuse; harassment and bullying; conduct and discipline; personal relationship difficulties.

HMRC then goes on to explain that, for the purposes of the exemption, welfare counselling is counselling of any kind except:

- advice on finance, other than advice on debt problems
- advice on tax
- advice on leisure or recreation
- legal advice.

Previously, the exemption excluded all types of medical treatment, but from 6 April 2020 some counselling services that are also classed as medical treatments have been included in the exemption.

The exemption now includes treatments such as cognitive behavioral therapy and interpersonal therapy where they are part

...from 6 April 2020 some counselling services that are also classed as medical treatments have been included in the exemption.

of an employer's EAP. It should be noted that these are very specific treatments and most medical treatment would not be exempt.

Practical issues

The issue for employers providing counselling services, from a tax and NICs perspective, is that some EAPs provide a wide range of services, some of which are exempt and some which are not. This would be manageable if the chargeable services could be apportioned against the exempt services. However, the exemption does not give any basis for apportionment, which results in the whole EAP being a chargeable benefit if it includes any services not covered by the exemption.

To prevent this from happening, HMRC advises that employers could consider separating out the two types of service into totally different schemes where possible. Where this is not possible, HMRC guidance suggests that 'common sense should be applied' where a minor part of the service is outside of the exemption in relation to all the other services provided.

However, applying such an approach does come with a few difficulties when the problem that is presented by an employee when contacting the EAP service crosses into territory that is excluded from the exemption. From a tax perspective, it is important that the main reason for contacting the service is one of mental health and welfare. An example of this would be where an employee contacts the service in distress and anxiety over a breakup with a partner, but during the

counselling it is revealed that one reason for this is anxiety over not knowing to what they are legally entitled. If the employee were to be given personalised legal advice under the terms of the EAP, which is specifically excluded from the exemption, the whole EAP would potentially become a chargeable benefit. However, if it is to support the emotional wellbeing of an employee, the signposting to legal and financial information could be within the exemption.

Any advice given in this way must be secondary to the main reason for contacting the EAP service and any legal or financial information provided should be at a very high, general level that gives the employee a way to identify what their next step should be, outside of the EAP.

The example given above is one of many scenarios that could arise where interpreting and applying the rules is difficult and could lead to unintended tax consequences. Whilst there are no easy solutions, the starting point should be how the terms of the service are set out to employees, so it is clear what is and isn't included.

Family and household members

Another area that can cause difficulties in its interpretation is the provision of welfare counselling to dependents and members of the same household as the employee. It is felt by many EAP providers that the exemption does not go far enough and is not as generous with the tax rules compared with many other countries. Most countries exempt from tax the counselling of dependents separately to the employee. In the UK, the exemption is intended for the employee and does not cover dependents and others. Couples

and family counselling are included in the exemption, but face-to-face counselling that does not include the employee would be outside.

...widely felt that there is a need to both clarify and expand the current exemption to bring it up to date.

However, if there are issues in an employee's home life this will often cause performance issues in the workplace. HMRC recognises this to some extent and limited services can be provided to an employee's dependents and remain within the exemption subject to the conditions below:

There must not be a separate helpline number for spouse/partner/dependents.

Couple or family counselling is an acceptable clinical intervention, but a spouse/partner/dependent should not be offered face to face counselling on their own.

Spouse/partner/dependents should not be offered access to the legal information component of the service.

Volunteers

Another case where an EAP would be valuable to employers would be to allow EAP services to be available to volunteers, for example, special police constables and volunteers supporting victims and witnesses of crime. In some cases, volunteers are exposed to the

same stresses and anxiety that employees have, as they are effectively performing the same job. The volunteer status of such individuals is important, as it means that travel expenses to the workplace are exempt from a tax/NICs charge. However, this could be affected if they receive work-related benefits.

An option for them to be included without it affecting their volunteer status would help both the volunteers and the organisations that use them.

'Good' employers take their responsibility for their employees seriously, and that responsibility extends to volunteers as well. The ability to include them in an EAP would demonstrate that responsibility.

EAPA guidance

In November 2008, the Employee Assistance Programme Association UK (EAPA) produced an information document explaining the boundaries for legal and financial advice and dependents counselling services which HMRC uses as part of its guidance. This was to help to define the exemption and give clear guidance.

However, this information document is now considered to be out of date, especially with regard to welfare counselling services for dependents.

It is widely felt that there is a need to both clarify and expand the current exemption to bring it up to date. As well as helping employers to maintain a productive and healthy workforce, it would also relieve some of the strain on NHS mental health services. PSTAX is involved in discussions involving the EAPA and gathering information regarding the coverage of EAPs with a view to making a case for the rules to be made more generous and clearer.

Summary

Although the tax exemption for welfare counselling is well-intentioned and useful for employers, it does come with certain practical difficulties in terms of interpreting the rules and is not as generous or flexible as it could or should be. Whilst it is hoped that these concerns will be addressed soon, great care should be taken in the meantime to ensure that there are no unwelcome surprises should an employer's arrangements be reviewed by HMRC. ■



Is your workplace pension doing any good?

Henry Tapper, chief executive officer at AgeWage, discusses ESG, climate disclosures, and the greenium



Today, many of the decisions taken in the staging of automatic enrolment are being questioned. Occupational defined contribution pension schemes are being asked by government to assess their value to members, yet many employers participating in master trusts are concerned they know little about where the money that they send from payroll each period is going. There are several drivers for this to change:

- Employers want to maximise the value of their spend on workplace pensions.
- Trustees need to show they are maximising value for members.
- Government wants to see pension schemes investing patient capital into the real economy.
- All stakeholders want to improve the environment, society and governance (ESG).

It is quite easy to calculate the cost of running a pension scheme and to measure the outcomes of saving in one scheme over another. But measuring the environmental, social and good governance of a pension pot is not so easy. In fact, it is proving very hard.

The challenge to measure and compare ESG has been a pre-occupation of ratings agencies with organisations such as MSCI and Morningstar now providing ESG ratings. But unfortunately, they do not always provide consistent and authoritative results. A company like Tesla can be both an angel and demon depending on what lens you use to rate it. Making informed choices on subjective ratings is problematic for individuals and employers

Another problem when choosing a pension fund is the unfounded claim of many pension schemes that they will be carbon neutral at any date from 2021 to 2025. These claims are often based on no more than wishful thinking. There is rarely

detail on the strategies for meeting these targets and what they will cost.

Reducing an investment's carbon footprint is not a painless process, it costs money. It requires research, stewardship and it may involve buying and selling assets. This exchange of assets may result in a reduction in the investment return of the fund as will the research and stewardship costs which are borne by investors. And this is before the fund managers take their cut for the 'value added'. Taken together, these additional costs are known as the 'greenium' (<https://bit.ly/2U1DH3a>).

...how can we tell if a decision to invest in ESG justifies the greenium?

You would only pay a greenium if you were being rewarded for it; and the value for this extra money paid and return sacrificed needs to be justified either in terms of the good done or the extra return attracted. Those entrusted with managing our pensions are not entitled to invest our money unless they consider it economically advantageous to us – 'doing good' is not enough.

So, how can we tell if a decision to invest in ESG justifies the greenium? In 2016, I decided to split my pension investment pot into two, investing one half into a fund which simply tracked a market index, and the other half I invested in a fund which explicitly charged me twice as much but promised to invest for better ESG. I have been able to track the progress of each half of my pot. For some time, the ESG enhanced fund lagged my tracker but

right now the ESG fund is about 2% up. I have earned about three times the extra I paid in fees (my greenium) compared to the market tracker. It's hard for me to work out whether all this extra value came from ESG but I'd like to think that I've had value for my greenium and this simple financial experiment can form the basis of retrospective analysis of the quality of my ESG value for money.

Unfortunately, past performance isn't the best way to choose a fund for the future. We need to find a way to discover which of our investments are delivering a positive ESG outcome and which are standing still or worse – delivering fake news. Right now, many pension schemes are enticing us to invest with promises of future carbon neutrality. These promises are easy to make and hard to keep. Now is the time to measure the greenium committed to meeting these promises and to start the much harder task of measuring payback, both in terms of improved ESG and in fund returns.

Thankfully, we have a means of measuring the carbon footprint of a pension fund in financial terms through the disclosure of climate-related risks and opportunities standardised by a globally accepted task force (the Task Force on Climate-Related Financial Disclosures (TCFD)). With reliable climate-related financial information, financial markets can price climate-related risks and opportunities correctly and can manage the rocky transition to a low-carbon economy.

We urgently need to use the data available from the disclosures to measure the progress our funds are making and understand whether we can invest both for good and for profit. We will only achieve this by using commonly available information, which is why TCFD is our best way of ensuring our greenium is worth it. ■

When can I retire?

Ian Neale, co-founder of Aries Insight, outlines UK law complexities and reveals proposed legislation that will not bring simplification



Most of us look forward to not having to work anymore. Once upon a time, people could anticipate their retirement date with some certainty, and plan ahead. Early retirement happened to some who could afford it, or in ill health where enhanced pension benefits were on offer. But mostly your retirement date was set by the pension scheme rules.

Times are changing though, especially in the private sector. Rather than stopping work one day and starting to live on a pension the next, it's possible to transition into retirement with overlapping sources of income. Employers can no longer retire you automatically when you reach a certain age. Workers have more choice about when they retire, assuming that is, if their health permits.

There are limits though; especially on how early pension scheme benefits can be taken. Prior to 6 April 2006, all occupational pension scheme rules had to stipulate a normal retirement date (NRD) in the range 60–75, though early retirement was permissible from age 50. A few, mainly professional sports players, could have a special early retirement age.

Then came 'A-day' and a new concept in the Finance Act 2004 (FA 2004): 'normal minimum pension age' (NMPA). Defined as the earliest date at which pensions and lump sums may normally (unless the ill-health condition is met) be taken without triggering an unauthorised payments tax charge, this was set initially at age 50. From 6 April 2010, it became 55 (by virtue of section 279, FA 2004); but members already entitled to retire at 50 kept that 'protected pension age' (PPA)

(by virtue of paras 21–23 to Schedule 36, FA 2004).

Then the coalition government announced in 2014 that NMPA would rise to 57 in 2028, to coincide with the increase of state pension age to 67. In spring this year HM Treasury consulted on implementation and, following consideration of 140-odd responses, in July published draft legislation.

Some respondents had argued unsuccessfully for a simpler transition this time: no protection regime and all members not already pensioners or enjoying an existing PPA should have a NMPA of 57. The consultation had proposed some simplification, namely to remove the requirements to cease work with the employer and crystallise all benefits on the same date in order to maintain a PPA; but that's all.

Existing PPA rules require an individual wishing to preserve a PPA on transfer to another pension scheme to team up with at least one other member wishing to do the same thing, in a 'block transfer'. In a significant relaxation of these much-criticised rules, individual transfers are also to be allowed to preserve a PPA. However, PPA transferred rights will have to be ringfenced in the receiving scheme: the PPA will not apply to other rights members accrue there.

So, pension providers will have to grapple with another set of PPA rules – and this is where the law really gets complicated. Some individuals will still be able to take benefits from age 55 (or an earlier PPA if they have one), including all members of the uniformed services.

The government is to introduce a

window of opportunity for others to join pension schemes which offer a PPA (i.e. the scheme rules on 11 February 2021 already confer an unqualified right to take benefits below age 57) and they join that scheme by 5 April 2023.

There's been a lot of anxiety expressed about what would amount to 'an unqualified right'. Where the scheme rules expressly state that benefits can be drawn from age 55, the government considers that would meet the condition. Conversely, where the rule refers to the NMPA or its underlying legislation, that would not.

The government is refusing to define this crucial point in law and suggests trustees and scheme managers might need professional advice on what rights their rules confer. Those familiar with recent court cases centred on what scheme rules say about inflation increases will have a sense of deep foreboding about the costs ahead.

The policy intention behind the move to a NMPA of 57 is to encourage individuals to save for longer for their retirement, and so help ensure people have financial security in later life, while delivering indirect benefits to the economy through increased labour market participation.

For most workers in the private sector, it will make little or no difference to their expectation of retirement. Few can afford to cease work long before their state pension age, currently 66; or have a money purchase pot big enough to fund a significant drop in earnings from going part-time. Flexibility and choice for those without a significant final salary pension, is often a mirage.

As always though, the voice of the wealthier minority in favour of preserving pre-existing pension rights is more audible. Thus, it is that while craving simplification we despair at the remorseless complication to be endured instead. ■

**...while craving simplification
we despair at the remorseless
complication to be endured instead.**

Coronavirus pandemic: contract changes, dismissal, pregnancy

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



Khatun v Winn Solicitors Ltd

An employment tribunal (ET) has held that an employer unfairly dismissed their employee who refused to agree to proposed employment contract changes due to coronavirus.

At the start of the pandemic, Winn Solicitors Ltd, the respondent, decided to place half of its staff on furlough after the business began to experience a downturn. The claimant was told in person that she could continue to work, but on 23 March 2020 the respondent notified her that all employees needed to agree to a variation to their contract terms or face dismissal.

The variations meant that the respondent could place employees on furlough, or reduce their hours and pay by up to 20%, on five days' notice until 1 October 2020. The variations also allowed the respondent to extend the terms by a further three months if the business so required it.

These new terms were sent to the claimant via email on 24 March 2020 with instructions that she sign the document and return it within 24 hours. It was again explained to her that she would face dismissal otherwise. On 25 March 2020, the claimant sent her response stating that she was not willing to agree to the new

variations because she was still performing the role she was contracted to do, but she would be willing to consider them if she were to be furloughed.

...failure to agree to the variations to her contract terms and conditions could have been a fair reason for dismissal...

The respondent encouraged her to agree to the new terms, emphasising that dismissal was the alternative, but the claimant remained steadfast in her refusal. On 26 March 2020, the respondent's chief operating officer (COO) instructed that the claimant's employment be terminated without notice, pay in lieu, and accrued holiday payment. This action was justified by the COO as a suitable reaction to the claimant's inflexibility which showed that she was "clearly not someone interested in the firm or her colleagues".

The claimant's IT access was terminated that afternoon and she was only informed of her dismissal after she queried this action. Later, the respondent paid the claimant notice and holiday pay after accepting that they had breached her employment contract terms. The claimant nonetheless brought a claim to the ET for unfair dismissal.

The ET decided that the dismissal was unfair due to the employer's failure to undertake a proper dismissal procedure. They did not enter into any consultation with the employee over the contractual change and did not give the employee the opportunity to talk through her reasons for refusal. In addition, they did not offer an appeal to the dismissal.

The assessment of whether a dismissal was fair or not looks at both the reason for dismissal, and how it was carried out. The ET noted that failure to agree to the variations to her contract terms and conditions could have been a fair reason for dismissal, falling within the some other substantial reason definition. However, the dismissal was deemed to be unfair on the grounds of the lack of procedure.

This case does not indicate that this particular reason for dismissal will always be fair, even where a thorough procedure

is adopted. Each instance will be assessed on its own facts, taking into consideration both the reason and the procedure used.

Kane v Debmat Surfacing Ltd

An ET has held that a driver who was sacked after he was spotted drinking in a pub while he was off sick was unfairly dismissed.

The claimant, who suffered from chronic obstructive pulmonary disease (COPD), had worked for the respondent for almost eight years and would take periods of sickness absence due to his illness. On 9 March 2020, during a three-week period of sickness absence, the claimant was spotted smoking outside a social club by a colleague. The respondent, Debmat Surfacing Ltd, later called the claimant after being notified of his visit to the pub. After admitting to being at the pub for fifteen minutes on one day and thirty minutes on another, the claimant was informed on 23 March 2020 that he was to be investigated for dishonesty and breach of company regulations, noting that if he had been too ill to work then he should not have been in a pub. The claimant maintained that he did not see anything wrong with what he had done as he had only been in the pub for a short period of time.

The respondent added that the claimant should have been self-isolating due to the coronavirus outbreak and his vulnerability. On 24 June 2020, the claimant was sent a letter outlining that his behaviour constituted a breach of the organisation's disciplinary rules, but no witness statement was included.

The claimant eventually shielded for twelve weeks, and a disciplinary hearing was held on 6 July 2020 which resulted in his dismissal. He appealed this decision, but it was rejected by the respondent. The claimant won his case after the ET found that going out for a drink while ill was not against the firm's disciplinary rules and the firm had not undertaken a fair disciplinary process.

The ET noted that the claimant was fired for a 'breach of trust and dishonesty', noting 'flaws' in the respondent's investigations. The court went on to list ways the disciplinary procedure fell below the standard of a 'reasonable employer', as follows:

- the disciplinary meeting should not have been held by the same person who dealt

with the initial complaint (the person who made the phone call to the claimant on 9 March 2020)

- there were no written accounts of the facts which led to some confusion
- the respondent may have been aware that other employees have demonstrated the same behaviour in the past without taking action.

...the respondent did not withhold pay due to her pregnancy but was instead an error that they later rectified.

The ET judge went on to say: "The claimant was unfairly dismissed. There was a 25% chance of the claimant being dismissed if the respondent had conducted a fair procedure. The claimant did not contribute to his dismissal".

Employers can implement disciplinary rules which set the cornerstones for employee behaviour and, generally, they cannot claim that an employee has broken a rule that they did not know was in force.

What employers need to do, regardless of the type of misconduct they are dealing with, is carry out a procedure in the way that the ET expects because, if not done correctly, it can negatively affect the outcome of the dismissal.

Prosser v Community Gateway Association Ltd

An ET has held that a pregnant woman was not discriminated against by her employer after she was sent home during the pandemic for health and safety reasons.

The claimant worked for Community Gateway Association Ltd, the respondent, on a zero-hour contract at, on average, four shifts per month. On 13 March 2020, she notified her employer that she was pregnant and was directed to the government website which classified her as clinically vulnerable.

On 17 March 2020, after the claimant arrived for her shift, she was sent home as a measure to protect her from catching the virus. A risk assessment was conducted

in May 2020 after she asked to return to work. The following were found:

- the claimant could work only during the day, and
- she could return to work when perspex screens were fitted between desks – the desks were 1.8 metres apart rather than the two metres recommended at the time.

The claimant was offered some shifts towards the end of May 2020 but because the changes recommended in the risk assessment took longer than expected to implement, she was not allowed to work those shifts.

The claimant later raised a grievance, outlining that she had faced pregnancy discrimination because she had not received pay for the shifts she was scheduled to work and was not permitted to return to work.

The respondent, as a response to her grievance, asked the claimant to return to work. Before this, however, they carried out a second risk assessment and moved the desks to be three metres apart from the next. The respondent later paid the claimant for the shifts she would have worked if not for her being told to stay at home, as well as the training days she would have attended. The claimant later brought a claim to the ET arguing, most importantly, that sending her home and not paying her until she raised a grievance was direct pregnancy and maternity discrimination.

The ET found that there had been no discrimination on the part of the respondent. Recognising that the respondent reacted to the pandemic situation and government guidance, the ET dismissed the claim.

When considering the issue of not bringing her back until she raised a grievance, the ET noted that it was reasonable for the respondent to wait until there were proper Covid-secure measures in place before bringing her back to work.

The ET stated that they "do not find that this was an act of unfavourable treatment because of the claimant's pregnancy but a positive step being taken to protect her in complying with legislation designed to provide her with protection."

The ET, turning to the issue of her pay, noted that this appeared to be unfavourable treatment but went on to say that the respondent did not withhold pay due to her pregnancy but was instead an error that they later rectified. ■

Beyond the furlough scheme

Danny Done, managing director at Portfolio Payroll, outlines key considerations for employers



The coronavirus job retention scheme (CJRS) was implemented to support employers who were not able to operate as normal due to the pandemic. Initially, by designating employees as 'furloughed', employers could recover a portion of employee wage costs up to a £2,500 cap. As confirmed by the Budget, delivered on 3 March 2021, the scheme will continue to operate until the end of September 2021 with adjustments to the funding level initially in place.

From November 2020, until the end of June 2021, employers were able to claim 80% of staff wages to a maximum of £2,500 per employee per month for any hours unworked. Employees on full furlough (not working any hours at all), were able to get 80% of their wages per month, unless their employer decided to top it up to 100%. Where an employee was on flexible furlough (working only some hours), they were paid in full by their employer for the hours worked and the grant covered 80% of pay for their unworked hours only, subject to a cap which was less than £2,500.

From 1 July 2021, the government's grant reduced to 70% of furloughed employees' wage costs for their unworked hours at a cap of £2,187.50. It was necessary, and will be until the scheme finally comes to an end, that the pay furloughed employees received remained the same, at a minimum of 80%, with the £2,500 cap. This meant that, in July, employers contributed 10% up to £312.50 from their own pockets.

From 1 August 2021 until the scheme ends, the government's grant reduced a final time to 60% of furloughed employees' wages for their unworked hours at a cap of £1,875. Employers have needed to contribute 20% to staff wages up to £625.

As the scheme is ending shortly, what do employers need to consider?

Supporting employees

Not every employer would have been able to afford to contribute towards furloughed staff wages and would have likely brought most people back to work already, even if on a part-time basis. Employers who have not been able to take staff off furlough because they are still experiencing a downturn in demand will need to consider how they can support employees as the scheme ends.

It may be that employees are brought back to work on a part-time basis, outside of flexible furlough rules, to avoid making redundancies. However, this will depend on how much work is available and if staff agree to the variation to their contract terms.

It is important to note, as mental health awareness carries on making headlines, that employees may be struggling during this period.

It is advisable to offer them support in the form of an employee assistance programme or equivalent where possible.

...employers will need to find a fine balance between supporting employees and doing what is best for their business.

Protecting business interests

Employers will need to consider how they can protect their business interests, too. This could, again, take the form of bringing staff back into work or allow them to work from home if possible.

However, employers may also need to consider the following.

- **Reducing staff hours** – employers may want to make structural changes to their workforce if possible, such as reducing the number of hours their employees work, bringing them back on a part-time basis. This will not only help to support employees who may have otherwise been made redundant, it will allow employers to retain their existing talent. Again, employees need to agree to this change as it will impact on the terms and conditions of their current contracts. Most importantly, employees cannot be forced to reduce their hours.

- **Lay-offs and short-time work** – otherwise known as 'LOST', these are usually considered as an alternative to compulsory redundancies, especially when there is a downturn in workload or the finance necessary to fund full-time employment. Employees may be placed on unpaid LOST where there is a contractual term entitling employers to do so. In the absence of such a contractual clause, employers will need to agree this with staff, otherwise it will breach contracts of employment.

- **Redeployment** – if one area of a business no longer requires either all, some, or most staff, then employers can redeploy them elsewhere, either temporarily or permanently.

- **Redundancy** – employers should only consider redundancies as a last resort.

Takeaway

The furlough scheme has been a saving grace for many employers whilst coronavirus lockdown restrictions have been in place. As the scheme ends, employers will need to find a fine balance between supporting employees and doing what is best for their business. Whatever direction employers take, it will be important that they follow the correct procedures to avoid costly tribunal claims, e.g. for unfair dismissal. ■



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Industry news

Salary sacrifice scheme launched for holidays

CHESHIRE-BASED TRAVEL company, Inspire, has launched a salary sacrifice scheme to give employees the opportunity to pay for their holidays through a monthly payment. The new scheme, which has already been taken up by several UK-based businesses and more than ninety NHS Trusts, is targeted at employers of any size that want to offer their employees the scheme as a flexible employee benefit.

Salary Sacrifice by Inspire allows employees to book almost unlimited types of travel, up to a value set by their employer. The scheme is underpinned by Inspire's trust account model, recently introduced to protect all monies spent via salary sacrifice or loaded onto its gift cards.

Peter Pantelides, Inspire's Group's chief executive officer, said: "Having gained so much experience and insight from operating our own highly successful travel gift card for more than a decade, the salary sacrifice scheme is a natural strategic development for us.

"The annual holiday is one of the largest household expenses of the year and having the opportunity to pay for it via a salary sacrifice scheme, and not use expensive credit terms, is an attractive way to fund that well-earned time away.

"We are now the only UK-based retailer to place all our gift card and salary sacrifice scheme funds in a secure trust account, which makes us totally unique."

Leicestershire County Council to deliver new payroll apprenticeships

LEICESTERSHIRE COUNTY council is offering two apprenticeship standards to employers nationwide. Payroll Administrator and Payroll Manager apprenticeships are available to employees working in either bureaux or in-house payroll organisations. Apprentices could be new employees to an organisation or existing staff looking to further their experience.

Delivery of the apprenticeships will be broken down into taught sessions and regular tutorials, aimed at supporting knowledge, skills, and behaviours. An online learning platform will also be available at all times. Content can be tailored to the needs of each individual organisation, and will cover areas including pensions, core and technical skills, along with customer and business awareness.

Payroll experts working in East Midlands Shared Services will support the qualification and they hold the Payroll Assurance Scheme (PAS) accreditation with the CIPP.

More information on the new national payroll apprenticeships is available here: <http://ow.ly/hELI3OrQtSd>.

Crown Agents Bank announces new pension technology

CROWN AGENTS Bank, which is a UK regulated financial service partner for many organisations, has announced the launch of its new pension technology, EMpower Pensions. The platform is interactive and includes intuitive pensioner management, international pension payroll and digital proof of life technology.

The new technology allows administrators to instruct bulk or singular payment requirements via the online platform. Crown Agents Bank use its extensive worldwide network to deliver payments on time in the specified currency.

The infrastructure allows payroll to be tracked in real time and an automated payment management process enables pension administrators to manage historic and current payments. There is also the flexibility to upload future dated transactions in advance, to make planning and control more efficient.

EMpower Pensions also mitigates against fraud and overpayments, whilst allowing pensioners to log on to the portal by uploading an image of their identification and taking a live facial photo selfie. This means the whole process can be done from their home.

MHR International launches new version of People First

HUMAN RESOURCES (HR), PAYROLL and analytics company, MHR International has launched a new version of its cloud-based People First platform.

The update addresses an organisation's entire human capital management needs, which deploys employee-centric functionality that streamlines HR and payroll processes in a single, real-time, integrated platform. It offers:

- simplification of time-consuming HR and payroll administrative processes
- connection and alignment of dispersed workforces to offer more workplace flexibility
- empowerment and nurturing of valuable talent
- elimination of HR inefficiency by consolidating HR infrastructure
- improved data visibility and unlocking of new insights.

People First takes a mobile-first approach, which will appeal to how modern workforces operate. Geolocation technology allows for the mapping and recording of mobile workers' hours and routes, improving the quality and accuracy of payroll, as it removes elements of manual data entry, and the need for physical timesheets.

Dataplan receives real living wage accreditation

PAYROLL PROVIDER Dataplan has been accredited as a living wage employer. It has committed to paying its staff the real living wage, which addresses the cost of living, as opposed to paying at national living wage (NLW) or national minimum wage (NMW) levels.

The real living wage considers the amount of money that employees and their families actually need to live, and there is a separate London weighting, as the cost of living there is recognised as being higher than in other areas of the UK.

At present, the real living wage is set at £9.50 per hour, and the London real living wage is £10.85 per hour, which are considerably more than current NMW and NLW rates.

To receive real living wage accreditation, employers must commit to paying staff aged 18 and over the real living wage rate. To retain that accreditation, they must continue to meet the rates as they increase every year. The rates are usually announced in November, and need to be implemented by May the following year. Accredited employers have a responsibility to encourage their suppliers to take up the real living wage.

Moorepay offers absence consultancy package

PAYROLL SOFTWARE provider, Moorepay, is now offering a consultancy package, which includes analysis of company absence data. This will allow organisations to spot any emerging absence trends and to anticipate absence before it happens. HR and employment law advice will also be provided to help with the management of specific cases of absence.

The latest offering from Moorepay arrives as it is highlighted that absence costs the average business £568 per year, per employee. The aim of the service is to reduce the costs associated with absence, whilst also reducing the risk of businesses being taken to tribunal. Improving absence management can also lead to a more engaged, happier workforce. Having a more effective process in place will also mean that those who work in HR can spend more time focusing on more strategic elements of their roles.

Latest naming round published

ROUND 17 of the government's naming scheme has been published, listing the names of 191 organisations that failed to pay more than 34,000 workers in line with NMW rules. The value of these underpayments adds up to a total of £2,100,000. The list, which can be located here: <http://ow.ly/l3mf30rQsBX>, contains names of firms of various sizes and from a multitude of sectors.

The latest list of organisations has been compiled based on investigations carried out by HMRC relating to breaches that occurred in the period between 2011 and 2018. All of them have paid workers the money owed to them, and extra fines were issued equating to £3,200,000.

As HMRC's focus at present is very much on education and helping organisations to get things right, an educational bulletin has been published – <http://ow.ly/x5vw30rQsCc> – which focuses on common causes of underpayment of the NMW. It is hoped that this will help to prevent other employers from making the same mistakes when paying their staff.

Common causes of the underpayment of NMW have been identified as follows:

- deductions taken from pay – for example, in relation to uniform or accommodation
- failure to pay workers for all the time they spend working, particularly for overtime
- paying apprentices incorrectly, and how the NMW interacts with apprentices.

Fines associated with failure to pay NMW can be hefty. Penalties can be applied of up to 200% of arrears owed, and the maximum fine issued can be £20,000 per worker, so employers should take steps to ensure correct payment in this space.

IRIS Software Group acquires Payplus

SOFTWARE COMPANY, IRIS, has announced that it has acquired Payplus, the payroll services provider for businesses and education organisations in the UK.

Payplus was founded in 2008, and offers managed payroll and P11D services, having achieved PAS accreditation. The solutions it offers complement IRIS's broader managed payroll services portfolio, and the step marks the next stage in IRIS's mission to increase its reach and market share in the managed payroll services arena.

Chief executive officer of IRIS Software Group, Elona Mortimer-Zhika, said: "Our goal is to support our customers to work productively and remain compliant. We are delighted to bring Payplus onboard and will continue to support its growth and invest in its best-in-class services to benefit both existing and new customers."

MoneyHelper now live – one-stop shop for financial wellbeing

THE MONEY and Pensions Service (MaPS) has confirmed that the MoneyHelper service – which is a new single destination to help with financial wellbeing – is now live (visit <http://ow.ly/wjru30rQuD1>).

Anyone who now tries to access the Money Advice Service, Pension Wise or the Pensions Advisory Service websites will automatically be redirected to the relevant MoneyHelper page.

Pension Wise will continue as a named service under the MoneyHelper umbrella.

Time and attendance systems

Jerome Smail, business journalist, presents the views of several industry experts on why and how these systems are being engaged and used by employers, HR and payroll



The collection of payroll data is increasingly automated and the lines between the payroll function and human resources (HR) are becoming evermore blurred.

One feature of the modern workplace that falls under both those aspects is time and attendance (T&A).

So, how are T&A systems impacting the profession? To find out, I asked the following key figures in the field:

- **Nicole Bello**, group vice president, SMB and channel, EMEA at UKG
- **Louise Chandler**, payroll manager at FedEx
- **Will Jackson**, managing director of Zalaris
- **Julie Lock**, commercial director at Mitrefinch.

What are the benefits of a T&A system?

Louise Chandler: In an ever-changing business environment, many can find managing workforces a challenge due to aspects such as increased flexibility in working arrangements and hours.

However, T&A systems enable the employer to collect and report on accurate data, which, in turn, gives greater insight into their operations as a whole.

Additionally, it allows the employer to manage their workforce through the seamless scheduling of increasingly

complex shift patterns and working hours. It also assists with absence tracking which highlights trends and allows for more proactive management, ultimately increasing productivity.

Tracking T&A via an automated system removes manual processes which are prone to human error or open to misuse. This results in cost savings for the employer, but also increased employee satisfaction due to heightened levels of payroll accuracy. Accurate reporting also has compliance and audit benefits across the business, whether monitoring working hours or being able to quickly access records to resolve queries.

Julie Lock: Organisations that use technology to drive efficiency often look to T&A as a smart way to manage their workforce requirements. The benefits of T&A directly impact an organisation's profit and loss and the security of their premises and assets. It is estimated that an organisation of 1,000 employees can expect to make a cost saving of £250,000 per year by introducing T&A technology. There are major benefits to payroll teams, people managers and employees.

T&A will cater for the automatic, accurate calculation of very complex and multiple payment rules, up to gross pay, saving valuable time and removing human errors, ultimately improving the accuracy of pay.

Data gathering can be a challenge for payroll teams, who rely on people managers to accurately document timesheet data in a legible format and submit it to payroll on time. With T&A, there is no data gathering requirement, and payroll are no longer reliant on people managers to accurately record timesheet data. The T&A solution understands the shift plans for each employee and will accurately record their clocking in and out times and calculate payments. Where an employee unexpectedly fails to clock in or out, the solution will flag an exception to the reporting line manager to resolve, thus capturing late starts, early finishes, overtime worked and absences.

Absence entitlements are automatically managed by the T&A solution, ensuring that employees never exceed their entitlements. Accurate payments for absences are automatically calculated, removing the administration burden off the payroll team.

Gathering payroll data outside of a T&A solution runs the risk of it being lost, missed or arriving too late into payroll to be processed on time. T&A solutions eliminate these risks; as the solution collects, calculates and formats the data, ready to be transferred into the payroll solution automatically, on time.

Exceptions to normal shift payments, such as overtime, are flagged to line managers for approval, ensuring that they authorise or reject the additional payments before payroll is processed.

Will Jackson: The top three benefits of utilising an efficient T&A system would undoubtedly be the reduction and

...enable the employer to collect and report on accurate data, which, in turn, gives greater insight...

associated costs of manually capturing and administrating time and attendance data. Most T&A systems integrate to workforce management, HR, and payroll software too so the benefits of integration result in less transfer of information between those crucial systems.

Accuracy is also one of the key benefits as electronic capture, automated calculations output, auditable adjustment functionality and accessible reporting accelerate efficiencies for the benefit of all areas of the business. The benefits extend to such things like adoption of cloud-based software, general data protection regulation (GDPR) compliance, increased forecasting of labour and costs, and ultimately, increased employee trust and experience.

What methods of T&A data collection are available?

Nicole Bello: Numerous methods of T&A data collection are available, from hardware and software terminals to web browsers and mobile devices – including time clocks, web entry, telephony, and mobile apps. These collection points enable employees to input and save critical labour data whilst on site or on the go, therefore reducing errors, increasing flexibility in data collection, and enhancing the employee experience.

Offline availability also enables devices to continue collecting and storing necessary work data even when disconnected. Once the connection is re-established, the device sends the data back to the server, which satisfies a critical requirement for many customers to track their workforce while offline due to reasons such as power outages, network errors, or database problems.

LC: T&A systems have certainly evolved over the last few years. Gone are the days when an employee would simply clock in and out. Not only do we have swipe cards, but we now have biometric fingerprint scanning, facial recognition, global positioning system (GPS) tracking, and mobile apps for smartphones and tablets. Data collection through such a variety of electronic devices and options ensures that employers can be increasingly flexible and their solutions as mobile as the workforce itself. Self-service options also add benefits for the employees, who can manage their own schedules and feel empowered as a result.

Technological advances enable systems

to adapt to our changing needs and have proved invaluable, particularly during the pandemic, where we saw remote working become a necessity and therefore had to adapt quickly.

...a critical step in helping organisations to manage their people, while also removing hassle for individual employees...

WJ: The most common method of T&A data collection (believe it or not) is via paper timesheets and paper punch cards. Many organisations still have a fully manual process until the data needs inputting to core HR. However, wall-mounted electronic solutions (often using a badge, fob, or card) are commonly used in larger organisations, which feed data to a user platform for supervisors and managers.

I am seeing an increased adoption of things like biometrics (via fingerprint, hand or eye), which negates the need to remember passwords. Mobile (including the use of GPS) and web-based portal devices to capture T&A are probably the industry staple and the obvious next step after fully manual capture.

How do workers respond to implementation of T&A recording?

NB: Outdated processes, manual workarounds, and an inability to view data like hours worked are all things that can create a negative experience for managers and staff. This includes a lack of visibility and transparency into employee performance, which can impede real-time decision-making and create opportunity for manager bias.

Automated processes and accurate payroll can boost staff productivity levels, by ensuring they spend less time on manual processes such as data collection and return to work more quickly. Put simply, automating T&A is a critical step in helping organisations to manage their people, while also removing hassle for individual employees and creating a

culture of trust with technology.

LC: When implementing new systems and processes, you always need to be mindful of the impact these changes will have on all stakeholders.

Change management is crucial in preparing the ground for implementation, ensuring communication is at the forefront of any project and getting the buy-in of all those affected. Implementation of new systems will only go ahead after consultation with labour relations and ensuring compliance with the appropriate regulations – GDPR and local.

In this instance, the benefits of a T&A system far outweigh the negatives for employers and employees alike. Employees welcome an automated, accurate and flexible system. Self-service tools increase their engagement by simplifying manual processes, allowing them to view timesheets, schedules, hours worked, and annual leave. Wariness of T&A tracking in the past has been replaced by positive acceptance as systems evolve and develop and the inherent benefits become more apparent.

WJ: Depending on the solution being adopted, and what the employees have previously been accustomed to using, the uptake is generally positive as it's a sign of progress or improvement. However, if there has never been a T&A solution or process prior to implementation, it can be seen as a negative and the common reasons are around management trust or the feeling that 'big brother' is now watching you.

Remember, for employees who are required to interact with T&A systems, they need it to be as seamless and quick as possible as it is the one stopping them from starting work or leaving for home. As with any new implementation, the key to achieving a positive response is in the communication, change management, training, and support.

To what extent can T&A systems be integrated into attendance management, scheduling of work times, and data collection for payroll and HR?

NB: T&A systems can be fully integrated with attendance management, scheduling of work times, and payroll software; and this can have a major impact on the wider business. Selecting a solution that has it all in one unified system, for example,

ensures that even as your business grows and needs change, you maintain one database, one employee record, and one single source of truth.

A range of solutions can meet T&A requirements in one system. These include flexible pay rules for managing true labour costs, self-service tools to help enforce leave policy tracking, and real-time visibility for better exception management, all of which enforce your pay and work rules by knowing who is doing what, when, and why.

LC: T&A systems have evolved to such an extent that they are now invaluable to a business which needs to manage its workforce.

Attendance management was previously a laborious task for managers, payroll and HR alike. However, T&A systems allow employers to report on absence levels accurately, highlight trends, and have access to accurate data whenever a query or issue arises. Automation allows pro-active management, identifying employee welfare concerns and cost savings for the business through absence management.

Systems are now capable of handling a multitude of complex shift patterns and scheduling employee hours to ensure

an employer has the most efficient and effective work patterns in place. T&A systems can be fully integrated with payroll by providing a direct interface to the payroll system itself. Therefore, human error is removed from the equation and both employee and employer reap the benefits of accurate and timely data collection and reporting.

...the question shouldn't be to what extent it can be integrated, because in today's market it must do.

WJ: The main advantage of many T&A systems in the market today is the advantage of integration. Enabling true 'turnkey solution' functionality within your business instantly brings with it substantial benefits. Most of the solutions available are cloud-based and offer easy integration to most of the main HR solutions and if it does not, question why.

T&A capture is only the start. Using scheduling tools to support plan versus actual and managing missed or error in time is key to managing your workforce from a human planning and cost perspective.

Equally, integrating time and absence is vital to the HR function for such things as adhering to terms and conditions, working time directives, law, entitlement, reporting and so on. And not forgetting integration to payroll. Time exceptions impact pay – such things like additional payments and deductions, missed shifts, late starters, early leavers, overtime, allowances, standby, call out, time accruals etc. And finally, the need to integrate to finance and reporting functionality across the business.

So, the question shouldn't be to what extent it can be integrated, because in today's market it must do.

JL: T&A solutions will manage attendance, scheduling of work times and data collection for payroll and HR – this is the essence of a good T&A solution. Modern T&A solutions will integrate into most payroll, HR and finance solutions through flat files or application programming interfaces. ■

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Feature topic wordsearch

To provide some light relief, the CIPP's policy and research team are delighted to have prepared for your enjoyment this classic word puzzle which features 32 words related to this issue's feature topic of 'time and attendance systems'.

The words can be forward or backward and vertical, horizontal or diagonal. Visit cipp.org.uk/wssep21 to see the answers.

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

(Note that a space between or a hyphen in multi-word search items listed below is ignored in the table above. So, CLOCK IN AND OUT would be shown as CLOCKINANDOUT, and REAL-TIME DATA as REALTIMEDATA.)

ABSENCE
ACCURATE
ANALYTICS
ATTENDANCE
AUTOMATED
BIOMETRIC
CLOCK IN AND OUT
CLOUD BASED

HOLIDAYS
HOURS
INTEGRATE
MANAGE
MODULES
MONITOR
ORGANISING
PATTERNS

PLATFORM
PRODUCTIVITY
REAL-TIME DATA
REMOTE WORKING
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Tel: 0121 712 1000
Email: compliance@cipp.org.uk
Website: www.payrollcompliance.org.uk

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



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Target Employee Range: 50+
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Website: www.moorepay.co.uk

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Payroll Business Solutions Ltd

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

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PAYROLL TRAINING AND QUALIFICATIONS

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Confessions of a payroll manager “And now, the news”

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.

A few years ago, after an hour of keeping my cool on a call to HMRC, I was informed I had ‘a Radio 4’ voice. I soon forgot the compliment but remembered it a couple of weeks ago when my dulcet tones were unexpectedly called upon for a brand-new payroll initiative.

In a weekly team meeting, Tom brought up the significant increase in queries coming into the department. No matter how ‘funky’ the newsletter, or how often we sent staff email updates, the information wasn’t cutting through. We were being inundated with questions around home working allowances, sickness pay and annual leave accrual.

As suggestions for new ways of communicating were flung around, one idea really took hold – a payroll podcast! It was Billie and Jace’s suggestion based on the parenting podcasts they’d listened to during lockdown. Apparently, it was an easier way of learning new things.

Billie suggested that short, sharp news updates could be recorded, like a bulletin, which could be hosted on the web, readily available for employees to listen to any time. We’d have a better idea of engagement too, as we could record and analyse listener stats. I confess to feeling a bit old as the younger members of the team started discussing various podcasts, web analytics and social media channels. Jace shared an article he’d seen on a blog explaining that

generation Z want to access information when and how they want, so it could be a positive addition for staff who don’t read the staff newsletters.

We settled on a monthly podcast. Willing members of the team – and I stress ‘willing’ because Evie nearly hyperventilated at the thought of being recorded – would read a variety of payroll-related updates and include any relevant articles from the CIPP or HMRC.

The couch in the main reception out of hours was the perfect place to record – and it would feel a little like being on the *One Show*. I confess, after the Radio-4-voice comment back in 2018, I’d started imagining myself as a bit of a TV newsreader. I remembered as a child, walking around the playground with a hairbrush as a microphone interviewing dinner ladies about the most recent first aid incident (usually Jeremy Dingle puking up jelly snakes).

Tom, Evie, and I drafted a script for the first bulletin and Stevie produced theme music to start and end the recording. I should’ve known given his penchant for *Strictly Come Dancing* that the tune would have a tango feel, but thankfully Jace was able to transform it into something really catchy (and not at all ‘ballroom’).

Script ready, recording equipment set up, presenters sound checked, the factory emptied of everyone but the payroll podcast team, we were ready to record. It took longer than any of us anticipated, but that was mainly due to several inexplicable bouts of giggling that only got worse as we tried to hold them in. Thankfully, even we have a limit on how much laughter we can take;

so, we started to concentrate and record the show properly.

Tony and Tom covered new benefits, sounding more than a little like *QVC* as they discussed new bikes available in the cycle to work scheme. Billie recorded a piece about staff discounts on takeaway meals and groceries, which turned into an impromptu cookery class as she provided a recipe for ‘toddler tagliatelle’.

I was honoured to wrap up the bulletin with an interview with a colleague who had recently joined the pension scheme, as they talked about saving to cruise the world in retirement. It took all my strength not to shove a hairbrush in front of them and turn it into a full-blown travel show.

And that was a wrap! Since the first payroll podcast was added to the new payroll web channel a week ago, we’ve been glued to the analytics watching the number of hits gradually increasing. Approximately 70% of staff listened to the podcast, but I think I probably accounted for at least ten of those.

We’ve absolutely loved making the podcast and it’s given me back that creative spark that I’d been missing for the last few months. Sometimes we all need a spark of innovation from a colleague to inspire us to explore something new. Let’s hope there will be many podcasts to follow – indeed, the team have already started planning for the Christmas special! □

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

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