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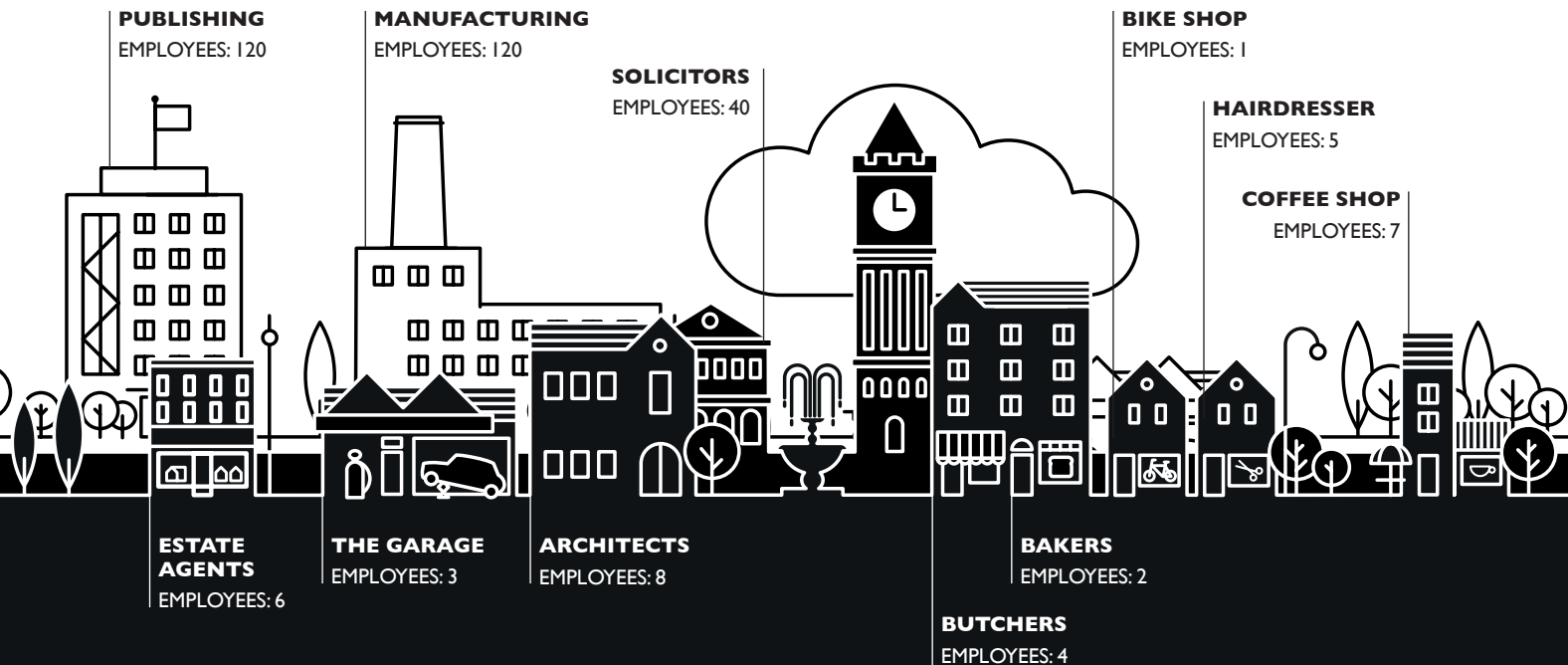
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FROM THE EDITOR

Paying for politics



Pay seems to be an increasingly political issue. The National Minimum Wage (NMW) has been with us for quite a while now, but the rates are under more scrutiny than ever due to the growing disparity between high and low earners. More recently we've seen the introduction of the National Living Wage (NLW). Although, in reality, the NLW is little more than an additional rate of the NMW, the nomenclature itself is politically charged. In fact, the Conservatives continue to cite their implementation of the NLW as evidence that they have the interests of low earners covered. Wherever you stand on that, it's clear that the choice of name for the policy and its similarity to the voluntary initiative set up by the Living Wage Foundation was a carefully considered political act.

More recently, addressing the other end of the pay scale, Labour leader Jeremy Corbyn has called for the introduction of a maximum wage (see page 5). While there is probably some way to go before this particular idea gains any solid political momentum, there's surely no doubt that pressure to reduce wage disparity through legislation will continue to grow. In fact, gender pay gap reporting is a symptom of this pressure (see page 28 for the latest on this) - although I remain sceptical as to how effective the burden of simply reporting a pay gap will be in encouraging companies to do anything meaningful towards reducing it. (I'm not alone in my scepticism, by the way - a recent www.payrollworld.com poll found that 67% of respondents believed gender pay reporting would not actually reduce the gap at all.)

This is not to say that pay hasn't always been political. In the days of the post-war consensus, before neo-liberalism took hold, greater reliance on the public sector and powerful unions meant wages were fought over against a different political battleground. But now the recourse is increasingly legislative and regulatory - which means payroll and reward professionals are on the front line. All the more reason for them to receive the recognition they deserve. I hope you enjoy this month's issue.

JEROME SMALL

●● Payroll and reward professionals are increasingly on the front line ●●

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1 Irishman jailed for splashing the cash after pay error

A teenager has been jailed after going on a spending spree when his employer made a decimal point error in his salary, meaning he was paid €19,639 instead of €196.36.

Irishman Karl Smith, 19, had “an incredible temptation presented to him” when the money was mistakenly paid into his bank account. He withdrew most of the cash over three transactions before spending the balance through use of a bank card.

Failing to report the error, he spent the money on drugs, socialising and items such as a new bed and a PlayStation.

He was jailed for four years at Dublin Criminal Court.



2 Courier should have workers' rights, says tribunal

A cycle courier with City Sprint should be classed as a worker rather than self-employed, an Employment Tribunal has found.

As a worker, the courier, Maggie Dewhurst, would be entitled to basic rights such as holiday, sick pay and the minimum wage.

Although the decision only relates to Dewhurst, the case brings the ‘gig economy’ business model into further doubt, following a similar ruling regarding Uber drivers last year.

Dewhurst said: “I’m delighted that the tribunal ruled in our favour as it has set a legal and moral precedent which others can use to make similar claims.”

City Sprint said: “This case has demonstrated that there is still widespread confusion regarding this area of law, which is why we are calling on the government to provide better support and help for businesses across the UK.”

3 Seven million now saving as a result of auto-enrolment

More than seven million people have now been put into a pension by their employer as a result of auto-enrolment, according to figures from The Pensions Regulator (TPR).

More than 340,000 employers have now completed their declaration of compliance. In 2017, the largest number of employers so far will see their workplace pensions duties start. TPR says by the end of the year, more than one million employers will have complied with the law.

See page 20 to read more about auto-enrolment in 2017.



4 Corbyn calls for maximum wage

Labour leader Jeremy Corbyn has called for a maximum wage for the UK’s highest earners.

The leader of the opposition told BBC Radio 4: “I would like there to be some kind of high earnings cap.

“I can’t put a figure on it and I don’t want to at the moment. The point I’m trying to make is that we have the worst levels of income disparity of most of the OECD countries.

“It is getting worse. And corporate taxation is a part of it. If we want to live in a more egalitarian society, and fund our public services, we cannot go on creating worse levels of inequality.”



●● *We have to have something that is more egalitarian, and gives real opportunities to everybody* ●●

Jeremy Corbyn, Labour leader

5 Wales handed powers to set income tax after deal between governments

Income tax rates in Wales could vary from April 2019 following a deal between the Welsh government and UK treasury.

In a milestone agreement between the UK and Welsh governments, Wales will take control of 10p in each band of the income tax collected within its borders.

The new fiscal framework was negotiated by chief secretary to the Treasury, David Gauke, and Welsh finance minister, Mark Drakeford.

The block grant that Wales gets from the Treasury annually will be reduced in a fair way, the governments claimed.

Research: Gender pay gap still significant for millennials

Millennial women will still earn significantly less than their male counterparts over their careers, according to a report published by the Resolution Foundation.

According to the think-tank, the gender pay gap for millennials in their 20s has halved in a generation to just 5%, but much of that progress looks set to be undone, with early signs showing that the gender pay gap continues to escalate as women enter their 30s and 40s.

Research

The analysis tracks the typical hourly pay of different generations of women – from as far back as the greatest generation (born between 1911 and 1925) – over the course of their careers, compared to that of their male counterparts.

It shows that the gender pay gap has closed for every subsequent generation of women. This reflects positive trends, including rising higher educational participation, which women in particular have benefited from, and more women breaking into high-paying industries and occupations.

However, the analysis also highlights that key challenges remain, notably the enduring pay penalty associated with having children. Unless tackled this will

mean that current and future generations of working women will continue to face a significant life earnings penalty.

Looking at women's early careers, the analysis finds that baby boomers (those born between 1946 and 1965) experienced a pay gap of 16% during their 20s. That gap fell to 9% for women in generation X (born between 1966 and 1980) and then to 5% for millennials (born between 1981 and 2000).

However, despite this progress in the early career phase, the gender pay gap continues to rise rapidly for women in their 30s and 40s.

Among baby boomers the gender pay gap rose from 21% at the age of 30 to 34% by the age of 40, after which it started to fall. For generation X the pay gap increased from 10% at age 30 to 25% by the age of 40.

The gender pay gap for millennials rises steeply to 9% when they hit 30, only very marginally lower than the gap for generation X-ers at the same age. This suggests that the old challenges associated with having children endure for young women today, says the Foundation.

The think-tank says that as men and women work for longer, tackling the gender pay gap at all stages of women's careers

●● *This pay penalty is big and long-lasting, and remains for younger generations despite the progress in early careers* ●●

will hold the key to reducing the lifetime earnings penalty they continue to face.

This means action to address the fact that having children carries such a sharp and long-lasting pay penalty, and exploring how both women and men can maintain or start new careers in later life, particularly if they work into their 70s.

Laura Gardiner, senior policy analyst at the Resolution Foundation, said: "Successive generations of women have benefited from slow but steady progress in closing the gender pay gap.

"Young women today face relatively little disadvantage in terms of their pay packets compared to what their parents' and grandparents' generation faced.



Laura Gardiner
 Resolution Foundation

"But while many millennial women haven't experienced much of a pay gap yet, most probably will once they reach their 30s, when they start having children. What's more this pay penalty is big and long-lasting, and remains for younger generations despite the progress in early careers.

"As people continue to live and work for longer, it's important that businesses, policy makers and civic society continue to focus on closing the gender pay gap at all ages, and for every generation.

"After all, small hourly pay gaps quickly grow into large lifetime pay penalties that can leave women hundreds of thousands of pounds worse off over the full course of their careers."

TUC: Public sector workers face drop of thousands in real pay

Workers in the public sector face real pay falls of thousands of pounds by 2020, according to TUC analysis.

Midwives, teachers and social workers will see real pay losses of over £3,000, while nurses, firefighters and border guards face losing more than £2,500. Ambulance drivers, who already earn significantly below the average UK wage, are set to miss

out on over £1,800. The TUC says falls in real pay are caused by government restrictions on public pay, which limit salary increases to 1% a year. This stops wages from keeping up with rising living costs.

Over 5.4 million people work in the public sector – nearly one in five workers in the UK.

Frances O'Grady, TUC general secretary, said: "Everyone in the

UK has bills to pay, and it's only fair that wages should at least keep up with rising living costs. Workers in the public sector are already feeling the squeeze, and it seems like there's worse to come.

"Government pay restrictions hurt staff in overstretched public services, and make it even harder to recruit good people. Particularly at a time of crisis

in the NHS, we need to be recruiting the best people for the job.

"It's time for ministers to give public employers the freedom to negotiate with unions for pay in their sectors."

The TUC proposes that the government allows each part of the public sector to determine appropriate pay, rather than a blanket national limit.

Tax institute welcomes call for MTD delay

A Treasury Committee report calling for a delay in the implementation of the government's Making Tax Digital (MTD) project has been welcomed by the Chartered Institute of Taxation (CIOT).

The House of Commons report also called for more extensive piloting of the reforms.

CIOT president Bill Dodwell commented: "Digitalisation and quarterly reporting will be a huge change affecting millions of taxpayers. With a change this big it is more important to do it right than to do it quickly.

"So the committee is right to call for a delay in the project's implementation. Rushing it through to deliver by April 2018 is just too short a timescale. There are hundreds of different

providers of accounting software – in many cases adapted for specific industries and trades. Right now we have no idea how many of these will be ready and tested in time.

"The introduction of Making Tax Digital should be deferred for at least a year to allow a smoother and more effective transition to digital record keeping, giving businesses sufficient time to prepare for the significant administrative, technological and financial implications associated with the move to digital accounting.

Dodwell added: "The committee is right to call for comprehensive pilots of the proposed system. There has been some limited piloting to date, but it needs to be more



Making tax digital

extensive, with a range of taxpayers and tax advisers, and especially with those who naturally struggle with IT and firms with complex systems that need to be adapted. The pilots need to cover the whole reporting cycle and address behavioural issues rather than simply digital functioning. Pilots will need to build up gradually, bringing in a wider range of users.

"We are also pleased that the committee agrees with us that



the threshold for Making Tax Digital and quarterly reporting should be raised substantially from the proposed £10,000. A consensus is growing that the VAT threshold of £83,000 would be a more sensible cut-off point.

"We think HMRC will need to consult thoroughly with businesses, their tax advisers and professional bodies in the period up to full implementation to ensure it works for HMRC and taxpayers."

Revealed: Most bizarre excuses for underpaying staff NMW

Ten of the most bizarre excuses used by unscrupulous bosses found to have underpaid workers the National Minimum Wage (NMW) have been revealed by HMRC investigators.

The list has been published to coincide with a new awareness campaign to encourage workers to check their pay to ensure they are receiving at least the statutory minimum ahead of the NMW and National Living Wage (NLW) rising on 1 April 2017.

The £1.7m campaign aims to make sure workers are being paid at least the NMW, or NLW, depending on their age, and is part of the government's commitment to making sure the economy works for all.

The ten worst excuses revealed are:

1. The employee wasn't a good worker so I didn't think they deserved to be paid the NMW.

2. It's part of UK culture not to pay young workers for the first three months as they have to prove their worth first.

3. I thought it was OK to pay foreign workers below the NMW as they aren't British and therefore don't have the right to be paid it.

4. She doesn't deserve the NMW because she only makes the teas and sweeps the floors.

5. I've got an agreement with my workers that I won't pay them the NMW; they understand and they even signed a contract to this effect.

6. My accountant and I speak a different language – he doesn't understand me and that's why he doesn't pay my workers the correct wages.

7. My workers like to think of themselves as being self-employed and the NMW doesn't apply to people who



work for themselves.

8. My workers are often just on standby when there are no customers in the shop; I only pay them for when they're actually serving someone.

9. My employee is still learning so they aren't entitled to the NMW.

10. The NMW doesn't apply to my business.

Business minister Margot James commented on the campaign: "There are no excuses

for underpaying staff what they are legally entitled to. This campaign will raise awareness among the lowest paid in society about what they must legally receive and I would encourage anyone who thinks they may be paid less to contact Acas as soon as possible.

"Every call is followed up by HMRC and we are determined to make sure everybody in work receives a fair wage."

Salary sacrifice changes: the issue of guidance



In truth, we should not have been surprised by the Autumn Statement 2016 announcement on the limitation of the use of salary sacrifice:

- Budget 2015 announced the government was going to “actively monitor” salary sacrifice schemes.
- Spending Review and Autumn Statement 2015 announced the government “remains concerned”.
- Budget 2016 announced they were “considering limiting” salary sacrifice which led to the August 2016 consultation on salary sacrifice for the provision of benefits in kind.

Fast forward to Autumn Statement 2016 that announced the limitations would be in

effect from April 2017. The draft Finance Bill 2017 (Clause 2 and Schedule 2) inserts the necessary provisions which remain open for comment until 1 February 2017.

So, presumably, the all-important guidance for employers will not/cannot be issued until after the 1 February 2017 deadline. The best scenario to hope for, therefore, would be guidance issued on 2 February. This leaves about nine weeks to understand it, make any changes that may be necessary and communicate all of this to our employees.

Is that realistic? I do not believe it is. So, backtrack for a moment to the consultation responses that were issued on 5 December 2016. During the consultation period, HMRC says it received 259 written responses from organisations and employers and 77 written responses from individuals – somehow they manage to make this a total of 336 written responses. In addition to these, 13 meetings were held with “external stakeholders”. Looking at the issue of guidance:

- Point 2.32 says 80% of respondents called for “easy to understand guidance,

with timely publication before implementation”. The government responded by saying it “will address these concerns by consulting on draft legislation and working with stakeholders to ensure that guidance is clear”.

- Points 2.39 to 2.41 expressed a range of concerns about the timeline and administration from 6 April 2017. The government said it was “grateful” for the comments and would “set out reporting requirements clearly in legislation and guidance”.
- Points 2.43 and 2.44 said that employers were concerned about remuneration packages in place and the need to update handbooks and staff guidance. Further, they felt it would be hard to communicate before the start of tax year 2017-18. The government responded that it had “noted” these concerns and the grandfathering arrangements may mitigate some of the concerns. Regarding guidance specifically, it said it “will ensure that guidance is prepared in readiness for



Ian Holloway, head of legislation and compliance at Cintra HR & Payroll Services

this change”.

- Point 2.45 said that respondents would not have issues with complying with the new regime, as long as the legislation and guidance was clear. Again, the government said it “noted” these comments.

In summary, respondents called for clear and timely guidance, the government noted the comments and made several statements to indicate that they recognised the importance. Call me a glass-half-empty person if you want, but I do not see guidance on 2 February 2017 as being nearly in time for a tax year that starts only a few weeks later.

That’s assuming it has come out on that day at all!

Employer Bulletin 63 – time to digest and reflect

When the latest HMRC Employer Bulletin came out at the start of December 2016, we were all getting into the festive mood and processing many early payrolls.

Relaxed and refreshed, now is the time to look at the important information that the Bulletin contained. This is all the more important given that the start of the new tax year is only two months away. Here are some of the highlights:

Big changes in benefits from 6 April 2017 will be the alignment of ‘making good’ dates and the introduction of a new tax and NICs exemption to cover the first £500-worth of pension advice provided to an employee in a tax year. There are also changes to the treatment of employer assets where they are made available for private use.

Voluntary payrolling is also being extended to include non-cash vouchers and credit tokens.

Some good news is that employers who payroll car and car fuel benefit will not be mandated to complete P46 (Car) information and send this on the FPS. At Budget 2017 there will be a consultation on accommodation benefit and a general review of the way that all benefits are valued.

Another change from April 2017 is public sector employers will have to decide whether the new intermediaries’ legislation

applies to their worker and, if so, payment for services will be classed as employment. This means that tax and NICs are accounted for through the payroll and reported via RTI.

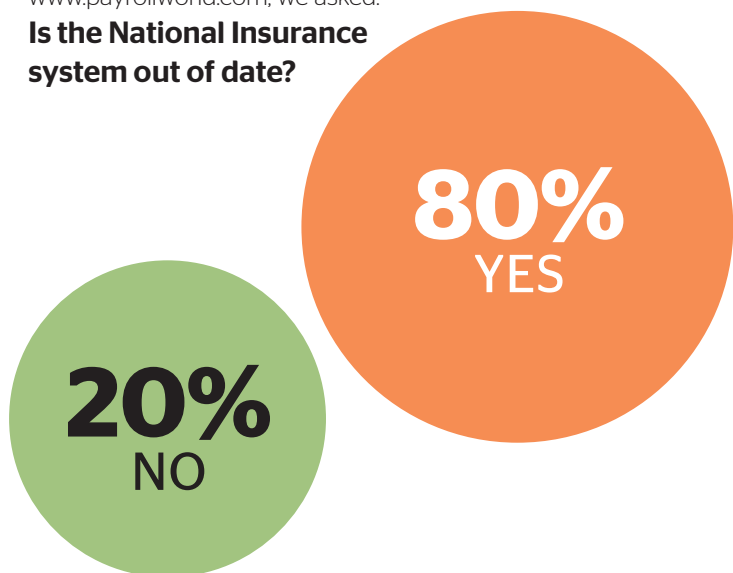
Coming UK-wide from “early 2017” is Tax-Free Childcare. The latest bulletin confirms that current schemes remain unaffected but close to new entrants from 6 April 2018.

Read the full bulletin at: <http://bit.ly/2hDlnrm>

WEB survey

Angela Knight, chair of the Office of Tax Simplification, recently expressed the opinion that the National Insurance system is no longer fit for purpose, saying it is “not just complicated but is simply out of date” and “it’s time to address this problem”. So at www.payrollworld.com, we asked:

Is the National Insurance system out of date?



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Consider the impact

The government has now clarified its position on salary sacrifice and the proposed changes have been disclosed. But the effects could be further reaching than originally thought, says **Alastair Kendrick**



We now have clarity on the position of salary sacrifice following the Autumn Statement and the recently released HMRC guidance. It should be noted that there was a period of consultation on the draft legislation which ran until 1 February 2017, and the final details will be confirmed in the spring of 2017.

The proposed changes are significantly greater than was initially suggested at the start of the consultation process and will impact on a large number of employers and their employees.

There will be no change to the tax and NICs advantages of salary sacrifice arrangements for: pension saving into a registered pension scheme, employer-provided pensions advice, employer-supported childcare, cycle to work schemes or ultra-low emission cars (ULEVs).

The measure will affect contracts for benefits in kind involving salary sacrifice arrangements entered into on or after 6 April 2017. Those employees already in such contracts at that date will become subject to the new rules in respect of those contracts at the earlier of:

- an end, change, modification or renewal of the contract;
- 6 April 2018, except for cars, accommodation and school fees, when the last date is 6 April 2021.

So ULEVs will retain their current tax treatment and will not be subject to the new rules.

The proposed relaxation over salary sacrifice car schemes, which permits such arrangements to continue post 6 April 2012 for ULEVs, applies to vehicles with CO2 emissions below 75g/km. It will be interesting to see whether the leasing providers offering salary sacrifice car schemes can find appropriate vehicles to make this a viable option for those

●● *The proposed changes are significantly greater than was initially suggested at the start of the consultation process and will impact on a large number of employers and their employees* ●●

employers who still wish to offer the arrangement to their employees. On paper this looks tight, given that at present many of the vehicles with a CO2 emission below 75g/km are expensive, so not falling into the normal category of vehicle that would be suitable to take via salary sacrifice. I am sure those leasing companies will be working hard with manufacturers to see if appropriate vehicles can be sourced.

The main concern is the decision of HMRC that the clampdown on salary sacrifice will be extended to include those employees who have a cash alternative in their contract of employment. According to the British Vehicle Rental and Leasing Association (BVLRA), this will affect 580,000 employees in the UK who benefit from a cash or car policy, and this clampdown would extend to other possible benefits.

The proposed changes mean employees will be taxed on the greater of the income tax on the benefit in kind or the cash alternative. If an employee takes the cash then this will have already been subject to income tax and Class 1 NICs so there will be no impact. In the case, though, of an employee who takes a company car, this is likely to mean a significant increase in the tax to be paid on this benefit. It is important that employers now look at their contracts with employees to see who may be affected by this proposal and decide what approach they should adopt going forward.

It should be borne in mind that this proposal impacts on any contracts

entered into post 6 April 2017 and any revisions to contracts from this date, or in any event from 6 April 2018.

HR input

It is my guess that many employers who have historically provided a cash or car alternative will either decide that this approach should be continued or will simply offer a car to those who are essential users, while offering cash to other employee groups. It is clear that determining the right approach for a business is not just a mathematical calculation but will need a fair amount of HR input.

The difficulty in many businesses will be determining those with a cash alternative, and the amount of that cash alternative. There may be benchmark rates per grade in the HR policy but it is not uncommon for employees to have negotiated special terms when recruited.

It is important for HR professionals to appreciate that they need to alert the tax team of any employee who is issued a contract post 6 April 2017 or whose existing contract is revised, seeing as this will have an impact on the income tax due on the benefit they may take.

These proposals are not good news for employers and their employees and it is annoying that HMRC has decided to widen the clampdown on salary sacrifice to incorporate those workers on a cash alternative. ♦

**Alastair Kendrick, tax director,
MacIntyre Hudson**

Keypoints

Salary sacrifice changes are significantly greater than was initially suggested at the start of the consultation process

The clampdown on salary sacrifice will be extended to employees who have a cash alternative in their contract of employment

The proposed changes mean employees will be taxed on the greater of the income tax on the benefit in kind or the cash alternative

A wee change

From April 2017, the point at which the higher rate of income tax applies will vary between Scotland and the rest of the UK. **Norman Green** examines the details and implications



On 15 December 2016, the finance minister of the Scottish government presented his budget (technically a draft budget). It is the first budget in which the Scottish government has had powers to vary the rates and limits of income tax. Previously, the Scottish government could have varied the rates but had to stick to the number of rates in the rest of the United Kingdom (rUK) and could not change the bands of income to which each rate applied. The additional powers are being used quite modestly, with only the threshold between basic and higher rate tax varying from the value for rUK.

For the tax year starting 6 April 2017, the point at which the higher rate of income tax applies will be £43,430 for Scottish taxpayers and £45,000 for all other taxpayers in the UK. The tax on that £1,570 will be at 20% for rUK taxpayers and 40% for Scottish taxpayers – a difference of £314. Only those with taxable income at or above £45,000 will have that maximum difference but every Scottish taxpayer earning above £43,430 will pay more. Basic rate income tax does not apply until an individual has income of £11,500 (the single person's tax allowance). This is an increase of £500 over the 2016-17 allowance (£11,000) and means the basic rate income band will be slightly smaller in 2017-18 than it is in 2016-17 for Scottish taxpayers, whereas rUK taxpayers will enjoy a wider basic rate band in 2017-18 compared with 2016-17. For most employees, this is not significant but those with earnings around the thresholds may need greater explanation.

National Insurance policy is not devolved to Scotland so the Upper Earnings Limit will be £45,000 for Scottish and non-Scottish

employees alike. For most employees, this represents a drop in NICs rates from 12% to 2% and lessens the increase in tax. But Scottish taxpayers will suffer the 40% tax rate at £43,430 and thus £1,570 before their NICs rate reduces. This may lead to some difficulty in explaining the change in the tax threshold to Scottish taxpayers.

From the payroll perspective, it is important that Scottish taxpayers are correctly identified. HMRC should have issued tax codes for all Scottish taxpayers that contain the regime code. This is a letter 'S', for Scotland, which when written is placed immediately before the tax code. Thus, an individual with the full personal allowance in 2017-18 will probably have a tax code of S1150L if a Scottish taxpayer, and a tax code of 1150L if not Scottish. It is quite possible that some payroll systems will accept the combined regime code and tax code in a single input field while others (probably most others) will accept each of the two elements into distinct fields: one for the regime code and one for the tax code.

Many commentators have said that several Scottish taxpayers have not been

correctly identified so it would be a good exercise to review the presence of the Scottish regime code against the individuals on a payroll who have Scottish addresses. While the address held in the payroll system need not be the individual's main residence, it will be for the majority, and the review only need be applied to those with taxable income likely to exceed £43,430 in 2017-18. By identifying any erroneous coding early (ideally before the start of the tax year) it will prevent any underpayment of tax for anyone who should be classified as a Scottish taxpayer. Equally, for anyone wrongly marked as a Scottish taxpayer, an overpayment of tax can be avoided.

The differing tax thresholds extend into two areas of benefits in kind requirements in which the payroll department is likely to be involved. Any employer with a PAYE Settlement Agreement (PSA) needs to identify the number of basic rate, higher rate and additional rate taxpayers. For 2017-18, this cannot be calculated across the whole payroll. Instead, basic and higher rate taxpayers will need to be identified separately between Scottish and rUK taxpayers, thus increasing the current three groups to five.

For any employer supporting a childcare scheme, the annual estimation of those with marginal rates of tax at basic, higher or additional rates will now require a separate calculation for Scottish taxpayers from the non-Scottish taxpayers. And as this will affect the Tax-Free Childcare that some individuals will receive compared with colleagues the other side of the Scottish border, it will be wise to prepare an explanation. ♦

Norman Green, payroll consultant



Need to know

- The threshold between basic and higher rate income tax will be different in 2017-18 for Scottish taxpayers compared with those in the rest of the United Kingdom.
- The maximum difference is £1,570 in income equating to £314 of tax. Any Scottish taxpayer

with income over £43,430 will be affected with the maximum values applying to those earning £45,000 or more.

- National Insurance is not devolved and thus will remain uniform across the whole of the United Kingdom.

- PAYE Settlement Agreements will need additional working.
- Scottish employees enjoying employer-supported childcare may be affected if their earnings are between the Scottish and rest of the UK basic to higher rate thresholds.

The importance of wellbeing

One in four workers are suffering with money problems so substantial it affects their ability to do their job. **Charles Cotton** highlights the benefits of improving the financial wellbeing of employees



Financial Wellbeing: The Employee View, a report, published last month by the CIPD and Close Brothers Asset Management, shines a light on how financial wellbeing can affect not just employee health, but also workplace productivity.

It finds that one in four workers are suffering with money problems so substantial it affects their ability to do their job. The proportion reporting problems rises to nearly a third among 18- to 24-year-olds, and for those living in London. The problem isn't just limited to low earners, with one in five (20%) of employees earning £45,000 to £59,999 saying that financial anxiety has affected their performance.

What are the implications of the report for reward and payroll professionals? One is that earning a decent wage is vitally important to employees' sense of financial wellbeing. While needs-based rewards may be impossible, organisations should offer a level of pay that meets people's basic needs. Paying a liveable wage or more is an important component in employee financial wellbeing.

Another is that the relative amount of remuneration is important. Those who perceive pay decisions aren't made in a fair and consistent manner are more at risk of poor financial wellbeing. We should review our existing reward practices to ensure they support organisation and staff needs in a fair and consistent manner, as well as looking at how these decisions are communicated.

The report also shows that many employees, especially younger ones, are anxious about their ability to save for the future, whether it's for retirement or a first home. We should look at how we can meet this need through a range of workplace savings products (such as Lifetime Individual Savings Accounts) and how much our organisation is able to



contribute to employee savings plans (such as a workplace pension).

Debt isn't necessarily a bad thing; what's important is how well workers are able to manage and pay it down. We can play a role in supporting staff become financially savvy and responsible by helping them make more informed choices and so prevent borrowing from becoming unmanageable for some – rather than having to deal with the consequences, such as through hardship loans.

Another issue our research raises is that employees need appropriate information, education and advice in order to help them achieve good outcomes from their decisions to save, spend and borrow. We can help staff by signposting relevant guidance, information and support, as well as providing this ourselves, either directly and/or through a trusted partner.

While a financial education programme can help workers set lifestyle goals, a workplace benefits programme can help staff achieve them. We should look at how and whether our employee benefits help

staff achieve financial wellbeing and ask ourselves what needs to be introduced, improved or scrapped.

How workers view their financial wellbeing differs by such characteristics as gender, location, pay, grade, and so on. It's crucial we recognise this when creating, building or reviewing our wellbeing programmes. For instance, London employees are concerned with the relatively high cost of living and working in the capital. New staff are focused on development opportunities, while high earners value being given the time to make financial decisions.

Finally, employees are more likely to discuss money issues with people they like or who are close to them. They are also more likely to seek guidance at the workplace when they feel they can trust their organisation to help, rather than judge them. We should offer financial education as part of our wellbeing programmes, and tailor it according to the different demographics and stages of life of our employees, as well as look to build trust with the workforce.

Our report shows poor financial wellbeing is a clear and present danger for employees, employers, the economy and society. Our related report, Employee Financial Wellbeing: Why It's Important, shows that it's only going to get worse unless we take action.

However, the potential opportunities from improved financial wellbeing are massive for workers, organisations, employers, the economy and society. Reward and payroll professionals have a key role in improving employee financial wellbeing and ensuring that our organisations are able to build on this improvement through higher engagement, creativity and productivity. ♦

Charles Cotton, performance and reward adviser, Chartered Institute of Personnel and Development

Keypoints

One in four workers suffer with money problems to the point where it affects their ability to do their job

Payroll and reward professionals have a key role in improving the financial wellbeing of their employees

Good financial wellbeing can help boost employee productivity and benefit the organisation as a whole



2017 events calendar

PAYROLL WORLD
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IN-HOUSE PAYROLL CONFERENCE

In-house Payroll Conference | 25.05.17

London

springupdate.payrollworld.com

The In-house Payroll Conference offers you a unique opportunity to hear from expert speakers on timely subjects such as the Apprenticeship Levy in the UK and salary sacrifice and benefits changes. Interact with your peers, and ensure you remain compliant and fully up-to-date on payroll legislation for the year ahead.

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Client Payroll Conference | 25.05.17

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Dedicated to those businesses and individuals who run payrolls on behalf of other organisations, the conference is the only one of its kind. Attend and gain insight into the unique issues that affect bureaux and accountants and hear your regulatory update directly from HMRC. Plus the DWP will be discussing auto-enrolment.



Payroll Top 50 | 25.05.17

London

springupdate.payrollworld.com/top_50

The 2017 Payroll Top 50 recognises the leading professionals who have made a positive impact on the payroll industry in the past year. The 2017 Payroll Top 50 will be announced after the Payroll World Spring Update.

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IN-HOUSE PAYROLL CONFERENCE

In-house Payroll Conference | 02.11.17

Hilton London Bankside

autumnupdate.payrollworld.com

The In-house Payroll Conference delivers a comprehensive review of the major issues affecting payroll operations. Providing you with all of the payroll updates you need to make your job easier.

CLIENT PAYROLL CONFERENCE

Client Payroll Conference | 02.11.17

Hilton London Bankside

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The Client Payroll Conference focuses specifically on those who run third party payrolls as a service and is the only event of its kind. You'll be able to meet with payroll providers, regulators, pension providers, IFAs, and marketing specialists.

PAYROLL WORLD AWARDS

Payroll World Awards | 02.11.17

Hilton London Bankside

payrollworldawards.co.uk

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If you would like to be involved in any of the above events please get in touch using the following details:

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MANAGING PEOPLE



Great expectations

Do your people know what is expected of them? That's the question **Karen Thomson** asks this month as she continues her series on people management



●● Find out what your people want: do they want to progress or are they happy where they are? Whatever the outcome is, please listen to your employees, as this is the start of a process for motivating them and increasing your productivity ●●

You might well think, “Of course my people know what is expected of them – they have a job description!”

In my experience, a job description doesn't always let the employee know what you and the organisation wants. As we get into 2017, maybe now is the right time to have a good, hard look at what you have in place. An exercise you could choose to undertake (from the book *Traction*) is looking at what your department does – does it fit with the company objectives and, more importantly, who does what?

Traction uses a model called GWC. This stands for Got it, Want It and Capacity to do it. Now, while I am not saying this is the perfect model, having used it myself it goes a long way to helping employees know what is expected from them and helps you confirm, or not, the right person is in the right seat.

One thing that is sure to demotivate and reduce productivity is unhappy employees. I once heard a senior manager say that in an anonymous staff survey, one employee responded to the question “Do you support the company's values?” by answering “No!” I have to ask, why was that employee working for the company? It clearly wasn't what the employee wanted and it definitely wouldn't have been what the organisation wanted!

Suggested plan

So how might you start to provide clarity to your team?

- Ask your team to list all their issues, suggestions for improvement and what works well.
- Have an away day, definitely off-site with mobile phones off! (Doesn't have to be expensive).
- Set the scene for open and honest discussions and highlight that some issues might be uncomfortable.
- List on a white board/flip charts, etc, every task your team/department is responsible for.
- List all the issues and suggestions and, of course, what works well (don't fall into the common trap of “we have always done it that way”).
- Then categorise them – for example, resource issues, staffing levels, lack of training, etc.
- Then start to put all the tasks into individual roles (do not put staff names against the list, as at this point you don't know who can do what, and don't put them into the existing job descriptions “just because”).
- Look at the big picture and prioritise the issues.
- Once the list is prioritised, start an open

discussion about the top ones; you might need more away days to get through them all, but the process will have begun.

- Share your ideas with the rest of the team if not all present at your away day. When you have completed the above you will know what resource you need, what you need to do to resolve the issues, and then your hard or easy journey can begin.

I have carried out this exercise and it was a fantastic experience, but don't get me wrong: six months on we are still working through the issues that are less easy to resolve – but, hey, we are working through them.

In addition, as Armstrong Watson is PQP accredited with the CIPP, we also looked at the competency framework, but not just from a technical/management perspective but also linked in with the company values.

Job descriptions have been produced, a new salary scale to allow for progression based on competency has been introduced and a new role dedicated to staff payroll training has been created. This was done based on the issues and suggestions within my team, but your developments could be different as it will depend on what is needed.

The next task is of course to allocate people to the different roles and ensure a personal development plan is produced. Find out what your people want: do they want to progress or are they happy where they are? Whatever the outcome is, please listen to your employees, as this is the start of a process for motivating them and increasing your productivity.

Effectively, what you will be doing is pre-appraisal valuations. Holding one-to-ones with your team members will not only determine where they are in the competency framework versus what their job role requires and/or where their development needs to go to keep them, but more importantly it will reassure you (or not) you have the right people doing the right jobs and who are right for your company.

I will go into this process in more detail in the next instalment, but please do be prepared – you may find all your employees are on track, but you might also find some are not the right fit for your organisation or the job role. The job role is easier to sort if there is another one more suitable, but not being right for your company is much more difficult to tackle. Performance management is almost always scary; no-one really likes to have these difficult conversations, but they may well have to be held! ♦

Karen Thomson MSc FCIPP FHEA,
director, Armstrong Watson
Payroll Services

Getting personal

HMRC is working with employers and software developers to help promote Personal Tax Accounts (PTAs). **Simon Parsons** explains how employees can get access to vital information and services



UK business and the payroll industry have seen significant changes being applied to employers. There's the Apprenticeship Levy, gender pay gap reporting, and the revolution of remuneration packages for employees with the impact of optional remuneration arrangements (frequently badged as salary sacrifice, but also including flexible benefit schemes, salary exchange schemes, and any benefit provision where there is a cash alternative like many employer-provided company car schemes).

The introduction of the Scottish Rate of Income Tax (SRIT) in April 2016 brought little change in reality, as Scottish employees ended up paying the same amount as the English, Welsh and Northern Irish. However, the Scottish parliament has now dared to do it and set a different higher tax rate threshold point, so the rich Scots will pay more tax than the rich English. The Scottish higher rate band even impacts the PAYE Settlement Agreement calculations as employers need to take account of where employees are treated for tax purposes. However, HMRC has confirmed that the childcare Basic Earnings Assessment banding values are not impacted if you are a Scottish taxpayer; the BEA uses the rest of the United Kingdom (rUK) tax bands regardless (See Norman Green's article on page 11 for more on Scottish tax.)

With allocation of funding based on employee residency status, and especially with future proposal for Wales to have



potential tax-raising powers, the importance of employees keeping their address accurate and up to date on HMRC systems is increasingly critical.

So on top of all the work being undertaken regarding the plethora of payroll legislation change, HMRC is starting a process to work with employers and software developers to help promote Personal Tax Accounts (PTAs). One key message is that the PTA is a simple way for individuals to update their address and personal details, and a major boost to reducing the number of enquiries that would come the employer's way.

Ruth Owen, director general for HMRC customer services, states: "We want to make it as easy as possible to pay the right tax and at the right time. Many want friendly digital services so they can take care of their tax in the same way they manage their banking... online and in their own time."

HMRC introduced the PTA over a year ago as the front door to HMRC digital services, enabling taxpayers to understand their tax position, update changes on circumstances and access support without the need for phone calls. Payroll teams are often the first port of call for tax enquiries, so the PTA is seen as a means of helping both employers and employees.

Everyone has access to a Personal Tax Account and millions have already joined up. Employees can now solve their personal tax issues themselves online.

With the introduction of the Apprenticeship Levy and funds being allocated to apprenticeship accounts on a proportional basis of where employees are recorded as living, it is in the employer's interest to ensure their employee records and home address details are as accurate as possible.

Engagement

So employers and their payroll teams are encouraged to promote the Personal Tax Account, and offer capabilities for links or prompts from online pay statements and even eP60s.

So go on, encourage your employees to use their Personal Tax Account. They can verify their tax code and see what taxable income is being reported, apply for marriage allowance, check details on company cars and other benefits such as private medical cover, check their National Insurance contribution history, tax credits, state pension entitlements, undertake Self Assessment and manage their personal information.

Why not include a payslip message and add to responses and communications with links to the HMRC Personal Tax Account app? ♦

Simon Parsons, director, tax and compliance strategies, SD Worx UK

Activating a PTA

Employees using the service for the first time will need the following:

- National Insurance number
- A copy of a recent pay statement or P60 (a passport can be used instead)
- A phone to receive a security access code

There are three simple steps:

1. Go to gov.uk/personal-tax-account and follow the instructions
2. Set up a Government Gateway account and answer the questions
3. Enter the access code provided on the phone when prompted

(There is also the alternative of using the Gov.uk Verify process, although this takes a little longer to do.)

Payroll is changing So are we



Payroll is changing - all the time. You don't have to spend long in the industry to realise that a key requirement of the job is the capacity to adjust in response to the perpetual changes in technology, process and legislation. What's more, the overall role of the function itself has transformed. What was once a back-office operation has evolved into a key strategic area for the organisation, holding essential data and ensuring compliance with a growing list of regulations handed down by government.

As everyone within the industry knows, it's not just payroll any more. Professionals in the sector now have pensions and employee benefits within their remit and operate in the wider reward space, forging an ever-closer relationship with HR.

In recognition of this, there will be some exciting changes to Payroll World in spring 2017. These include a revamped website, a fresh new look, feel and focus for the magazine - and a brand new name. All will be revealed soon, and I look forward to you all accompanying us on this exciting journey.

Stay informed by visiting
payrollworld.com/changing



Jerome Smail
Editor

You auto know this

Clients expecting you to do everything for them, and at the last minute? Worried you don't have enough knowledge to support clients through auto-enrolment? **Neil Esslemont** has your back



We work hard to ensure that we provide appropriate messaging for the many audiences involved in auto-enrolment, be they small or large employers, accountants or payroll professionals.

The number of small and micro employers reaching their duty start date and making their declaration of compliance each month continues to grow.

This year, our communications activity will continue to address the even greater volumes of small and micro employers approaching staging, as well as the large volumes of medium employers receiving their re-enrolment communications.

Letters, emails, social media, speaking events, advertising campaigns, webinars and a plethora of tools and information on our website are all in the mix.

The questions we get asked at events and via our customer support centre are wide-ranging, from the basic "what is auto-enrolment?" question, to technical payroll software queries.

The most common queries are on how the duties apply to single directors, when a pension scheme needs to be in place, and communicating to staff about postponement. Advisers also have queries around what qualifying earnings are included in AE.

Remember that if your client is not sure if they have to put any of their staff into a



pension for auto-enrolment, they can use our duties checker to quickly find out.

Payroll software providers

We have an ongoing dialogue with pension and payroll software and service providers and they tell us:

- They need time to prepare for changes in order to update their systems and software and to communicate with their clients.
- They are willing to communicate messages about auto-enrolment to their clients, but expect key messages from us in good time to be able to do that.

Anecdotally, we know that business advisers' main concerns are around their clients expecting them to do everything for them, and at the last minute, followed by them not having enough knowledge to support their clients through auto-

enrolment. As I mentioned in last month's column, we have provided new guidance covering this on our website.

If your client is late complying or thinks they might be, they should tell us about it straight away.

Our policy is that employers should take reasonable steps to put all workers back in the position they would have been in if they had complied on time. The employer should not profit from their mistake.

Re-enrolment

Over the course of 2017, increasing numbers of payroll professionals will start to be involved in re-enrolment. We are aware that some of these professionals may not have been involved with auto-enrolment when it initially rolled out and so are new to the AE process.

We know how important it is to harness the help of the payroll industry to reach employers with key information about how re-enrolment affects them. Around two thirds of small and micro employers will have a payroll bureau doing their payroll for them, representing a key channel to communicate with our vast employer audience.

We have launched new online information aimed at helping employers to quickly understand what they need to do for re-enrolment, including a downloadable 'essential guide'.

Have a look and familiarise yourself with what we are telling your clients: <http://bit.ly/2hapOaD>

Working collaboratively

My colleagues and I have been grateful for the positive approach among payroll software providers who are working collaboratively with the regulator. We have been helping shape the messaging that is communicated with employers via their payroll provider.

We will continue to provide information that payroll software firms can share with their clients. ♦

Neil Esslemont, head of industry liaison, The Pensions Regulator

Giving you answers

- Live webinars and events provide my colleagues and I with excellent and immediate feedback from payroll professionals and financial advisers. This allows us to tailor our communications month-on-month with up-to-date information.
- The webinars themselves contain lots of nuggets of useful information.
- For example, the webinar 'Supporting your clients through automatic enrolment' answers 60 questions from a variety of business advisers.
- Those working in payroll are increasingly familiar with the auto-enrolment process;

indeed, most now have significant direct experience.

- While experience is growing fast, and our trackers show adviser knowledge levels to be excellent, certain areas persist in causing confusion and are the focus of many questions at our events and webinars.
- We are planning more webinars over the course of 2017, so do look out for details on the events page of our website.
- You can subscribe to our news by email at <http://bit.ly/1TBVGPT>
- You can also watch previous webinars and find lots of other useful resources here: <http://bit.ly/2jw3c8i>

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AUTO-ENROLMENT





Golden opportunities

So you thought 2016 was the big year for auto-enrolment? Not as big as 2017, apparently. While there will be challenges to overcome, the vast numbers of employers reaching their staging date means opportunities abound for payroll bureaux and accountants, says **Scott Beagrie**

AUTO-ENROLMENT

“We are at the end of the beginning of the auto-enrolment project,” declares pensions expert Henry Tapper. He hits the nail squarely on the head, given 800,000 employers are due to reach their staging date in 2017, posing one of the biggest challenges yet for payroll bureaux, accountants and their clients.

So far, it seems that bureaux and pensions and accountancy professionals have made a fair effort of ensuring their clients remain compliant. According to figures from The Pensions Regulator, by the end of 2016 more than 370,000 employers, with a total workforce of 24 million, had completed their declaration of compliance for auto-enrolment and 7.2 million people (30 per cent) had been automatically enrolled. It reports that, considering the high number of employers which reached their staging date in 2016, compliance rates are good.

Neil Esslemont, head of industry liaison at The Pensions Regulator, reports that 26,040 compliance notices have been issued (based on the latest available published figures up to the end of Sept 2016) and only 741 employers had been issued with an escalating penalty notice (which is less than

five per cent). With the percentage of compliance notices higher in the last quarter of latest available figures (between July and September 2016), it would appear more employers are leaving things to the last minute, but the regulator explains that once they had been given a nudge the vast majority of employers complied and so avoided a fine.

●● *So far, it seems that bureaux and pensions and accountancy professionals have made a fair effort of ensuring compliance* ●●

“Generally, I would say that bureaux are doing a good job of carrying out their clients’ duties, including assessing and enrolling staff into a pension and issuing the various statutory letters and emails to their clients’ staff,” says Esslemont. “In addition, where they have agreed to do so, bureaux have made the declaration of compliance on behalf of their client in good time.”

Compared with last year though, bureaux will see a doubling or even trebling of the number of clients staging each month. Hence employers who have already outsourced, or are looking to, must ensure their chosen bureau isn’t complacent and has suitably robust practices and structures in place to cope with the demand.

The Chartered Institute of Payroll Professionals (CIPP) suggests that payroll bureaux could be working more closely with clients to make them aware of their duties and responsibilities. To compete more effectively for business, bureaux should be ensuring their clients receive the “correct” impartial advice as well as offering the assessment and administration of more pension scheme products.

According to Paul Rains, board director at the CIPP, many employers are going to independent financial advisors to help with the complete end-to-end process, while others are opting to go with “whatever their existing payroll bureaux can offer” due to time pressures and the capacity crunch effect.

“Our concerns about these two different types of approach are that clients are not getting a true overall picture of the pensions

Outsourced auto-enrolment and outsourced payroll

CONTRIBUTOR: **Graham Peacock, Salvus Mastertrust**

With 750,000 employers still to go through auto-enrolment in 2017 alone, we still have a huge mountain to climb. Most employers yet to stage have already outsourced payroll. This suggests that the employers have, therefore, outsourced auto-enrolment without agreeing this with their payroll provider. Now let’s look at this from each perspective.

Most employers are choosing which workplace pension they want to use, leaving the payroll professional to deal with reporting and contributions. Employers also hope that payroll will produce the letters to staff required under AE legislation.

Many payroll professionals don’t like auto-enrolment and just want to deal with the payroll. Others will support AE for their existing clients but stay clear of the workplace pension. If the workplace pension choice is left to each employer then the payroll professional is left to deal with multiple systems, tax relief options (gross or net contributions) and potentially several different payroll data feed templates.

Both ICAEW and ICAS have published guidance to their membership on this exact subject and payroll professionals can propose a main solution to multiple employers even if this includes a particular workplace pension.

<http://bit.ly/2k7SCER>
<http://bit.ly/2k7K0OU>

This is already done by many payroll professionals using the government’s own scheme (NEST). In this scenario, best practice is that the payroll professional makes clear that other options are available and they are also able to charge different fees based on this – i.e. you can charge more if your client decided to use a different solution to your preferred route.

Waiting for your payroll clients to tell you how they think you should run payroll and auto-enrolment does not sound like a sustainable approach. Yet this is exactly what many payroll professionals face.

Turning this on its head and telling your payroll clients how they can meet their auto-enrolment duties, avoid penalties and fines and be compliant is a far more sensible approach.

Don’t forget about the all-important letters that must be issued in a timely manner to all employees. There are many options open to employers and payroll professionals. Payroll software has made significant improvements in this regard and most software providers now offer a robust solution. Again, this is an area where employers will by default expect the payroll professional to deal with this within payroll.

The most important lessons for all payroll professionals who are already running



outsourced payroll which now means outsourced AE are:

- Email all of your payroll clients and make sure they know what service you offer them on payroll in an auto-enrolment environment.
- Write to all your clients who have not responded to your email!
- Call any employers that have their head in the sand.

Three attempts from the payroll professionals to keep employers compliant seems like a prudent and professional approach.

Graham Peacock is managing director of Salvus Mastertrust, part of Goddard Perry Group. Graham.peacock@goddardperry.com



market and may be selecting pension schemes that could see their employees in a worse position than other schemes in the long term," he explains. "Some bureaux still only offer NEST as the only AE solution or just the 'big three' because those are the only AE providers their software is compatible with."

Nevertheless, Rains notes that some "innovative" payroll bureaux are leading the industry by using third-party software such as Pensionsync to act as a repository like BACS to receive and distribute the various pension member/contribution files to the relevant pension scheme providers, which allows their clients greater flexibility and choice.

CIPP also cautions against any of its members working in payroll bureaux providing pensions advice.

"It is a regulated industry and should be dealt with by those who are qualified and regulated," says Rains. "A payroll bureau could offer clients advice through a legitimate third party it has a relationship with.

"This would be a positive step, providing our concern that the third party may be affiliated to only one pension provider could be overcome.

"The client needs to receive a full appraisal of all the pension products on the market and the advisor should be the only one to do that," he continues.

Meanwhile, the regulator reaffirms that bureaux should understand that investment advice to an individual is regulated and should only be provided if an adviser has the appropriate Financial Conduct Authority (FCA) authorisation. "This means they should not discuss pensions or investments with any of their clients' staff, if they are not FCA accredited," points out Esslemont. "However, investment advice to an employer – in their capacity as an employer – is not a regulated activity so a person who is not FCA licensed is not forbidden to give advice on this."

The Pensions Regulator has published a list of those pension providers who have said they have pensions available to all employers looking for a pension for auto-enrolment. The list has pensions regulated by the Financial Conduct Authority, as well as independently reviewed master trust pensions (the Master Trust Assurance Framework provides an independent review against an industry-wide benchmark of quality – including those features in its DC code that represent the standards of governance and administration that trustees are expected to attain).

Accountancy, business and financial advisor firm Armstrong Watson reports that it has staged around 600 clients to date. Karen Thomson, director, group payroll services, points out that smaller businesses don't seem "overly interested" in financial advice and, in many cases, view auto-enrolment as

an additional burden as well as a cost they struggle to afford.

"As a bureau, we have found a lot of success with offering a default option in terms of an auto-enrolment compliant pension scheme with a well-known provider," she explains. "Using a third-party provider as our conduit to the pension scheme has allowed us to streamline our administrative processes to such an extent that the cost of us undertaking all of the client's obligations is much reduced." She continues: "This has provided an avenue for those clients who are not interested in financial advice, and having access to various guides and the website means the client can be sure of the scheme they will be using before they agree to it."

The company stresses it is not tied to one provider though, and undertakes the full >>

Matching requirements

The Pensions Regulator has put together a list of the range of services employers may require which are as follows:

- Checking their auto-enrolment (AE) duty start ('staging') date.
- Being a nominated secondary point of contact with the regulator.
- Checking what staff will need to be put into a pension scheme.
- Creating clients' action plans and working out the employers' costs.
- Checking employee records for data accuracy.
- Finding/choosing a pension.
- Assessing and enrolling staff.
- Uploading and downloading employee and contribution data to/from pension providers' systems.
- Writing to clients' staff.
- Completing the declaration of compliance (as an 'agent' for clients, a bulk declaration of compliance for multiple employers can be completed by uploading a file at <https://www.autoenrol.tpr.gov.uk/>)
- Handling clients' ongoing duties (which continue after their staging date).

"While not all employers will want each and every one of these services, the trend with small and micro employers seems to be towards a one-stop solution where the bureau is expected to do everything," says Esslemont.

"Whatever services a bureau does agree to carry out, it should be made crystal clear to [its] clients – in particular, who is responsible for doing the declaration of compliance? There have been quite a few cases where the employer did not realise the bureau was not going to do this and the client hadn't realised they had to do it – resulting in a fine."

AUTO-ENROLMENT

obligations on behalf of the client regardless of their chosen pension provider, which also means it can tailor its services to different client requirements.

Thomson also adds that her firm's "understanding of what giving advice is" has changed. When the company's first clients staged in 2014 it was something it avoided entirely, nor did it offer any opinions even from an administrative perspective and instead referred everyone to its financial planning team.

"Our main concern then was that something we would say could be construed as advice. However, as auto-enrolment has progressed, so has our experience with a number of providers and this has put us in a position of being able to effectively discuss the administrative pros and cons of different providers with clients," she says.

"As the requirements of clients have now changed and become more focused on cost, this has proved helpful in terms of letting clients know which providers are more likely to cost them time and money, and which are easier to work with."

She points out that the introduction of the company's "default offering" also meant

it gained greater understanding of what the specific scheme entails which, in turn, has given the company greater confidence in understanding what constitutes financial advice and what is simply discussing pension schemes as a whole.

"We also always mention to clients that our financial planning consultants are available should they want advice on the best pension scheme for their business, and therefore for us discussing pensions from an operative point of view is almost second nature now."

Moreover, Tapper considers the "elephant in the room" when it comes to bureaux and auto-enrolment is the word "choice". "While most of auto-enrolment demands no choices, the employer is required (in law) to choose a workplace pension. This begs an important legal question: is the employer liable for the consequences of that choice? Every misselling scandal I can remember has centred on the question of who is accountable for the decision," he says.

"With auto-enrolment, the answer is simple – the employer is responsible for choosing a workplace pension. However, the accountant/bookkeeper/payroll bureau will

be asked which provider they should choose. We do not think that this is within the competence of most practices [but] we know that the majority of practices are giving advice on what to do."

In some instances, it is the software providers that are helping to facilitate choice. Tapper points out that large developers, such as Sage, are engaging with the major pension providers and ensuring that accountants can engage with all of them using the new technologies.

"Where the software houses cannot engage directly, they are setting up links with hubs such as Pensionsync which give payroll access to a range of providers," he says. "We see software providers having the role of facilitating choice but it is still the employer which has to choose."

"The gap in the market is the advice on the choice and the documentation of the decision. We see technology as enabling an appropriately priced solution. The provision of robo-advice made available for less than a couple of hundred pounds is available to employers. This kind of advice is the solution that many progressive bureaux are adopting." ♦

Making auto-enrolment work

It has been noted many times previously that in choosing a pension provider, employers need to make careful choices.

Choose a pension provider that has a quality pension scheme, with excellent underlying investments, great support and which is endorsed externally. This is a well-voiced mantra, which at Smart Pension we have nailed down very firmly. A built-for-purpose technology-led platform, free to use for the employer, Defaqto 5-Star rating, Master Trust Assurance Framework (MAF) accredited, working partners with Legal & General. Tick, tick, tick.

Choosing the correct auto-enrolment (AE) solution will be increasingly important in 2017 when the huge number of employers staging puts ever more strain on every aspect of an AE solution. I say "solution" because the pension provider is only one aspect of getting this right. An equally important part of getting this right is the payroll provider and/or the payroll software that is used. Most important of all is how well these two elements work together.

The volume of employers staging means that managing this process will take more time, and of course time equals money (and varying degrees of stress). The level of integration between pension and payroll is

CONTRIBUTOR: Gavin Collinson, Smart Pension

therefore key. Downloading csv files from payroll to then upload into a pension system is all very well and good, but it is much more clunky than it needs to be.

Smart Pension is more than happy to work with PAPDIS/csv files. However, we have for a long time been championing a much more efficient method. We see API (Application Programming Interface) as the future. Smart Pension has teamed up with several payroll partners to bring you a best-in-class solution to AE. Using our dedicated API, our software partners have directly integrated their payroll applications with Smart Pension. This approach allows you to complete the end-to-end process of AE without the need for error-prone csv files. This really does boil down to the utopia of a one-click submission.

We are excited to confirm that Sage will, in the very near future, be the next payroll provider that will be added to the Smart Pension list of API partners:

"At Sage we're laser-focused on reducing the admin burden for UK businesses – we call this delivering "Invisible Admin". Our payroll customers have consistently told us how important it is to them to have seamless



integration between their payroll solution and their pension provider. We're really excited to be working with Smart Pension to deliver this for our joint customers – supporting them to focus on what matters most, building their businesses." Cate Reynolds, Product Marketing Manager, Sage.

If your payroll software does not currently have API functionality and you or your clients want to partner with Smart Pension, speak to your payroll software provider and ask them – when is API with Smart Pension coming?

For further information about Smart Pension, our API and payroll partners please use the following link: autoenrolment.co.uk/pw

Gavin Collinson is head of payroll at Smart Pension

Feeling comfortable?

Anyone who manages payroll, whether in-house or as an outsourcer, will by now have discovered the perils of auto-enrolment and workplace pensions, observes **Henry Tapper**



With auto-enrolment comes workplace pensions. Currently, the majority of workplace pensions “don’t matter”; so long as contribution rates are set at current levels, their impact feels like an adjustment to NI and neither corporate nor private cash flows are in peril. This changes as the phasing of contributions unwinds in 2018 and 2019.

Experts have cogitated on what the increase in minimum employee contributions (from 1% to 4% of the band) will mean in terms of opt-outs. But payroll should be braced for a different challenge. The question that many staff will be asking is just where all this money is going and how did someone decide on the workplace pension in the first place.

The Pensions Regulator states that “employers must choose their workplace pension”. The dictionary definition of choice is “an act of choosing between two or more possibilities”. It is actually quite hard to find a word for the opposite of “choice”. We are used to the phrase “you have no choice”; it is one that The Pensions Regulator uses a lot, as in “you have no choice, it is the law”.

If we had no choice, there would be no peril in pensions. The original conception for the earnings-related top-up pension involved “no choice”. Typically, when choice is granted, peril follows. Anyone familiar with contracting-out decisions and the complexity of guaranteed minimum pensions will understand where I am



coming from! Back in the day when the “go/no go” decision was being taken on auto-enrolment (2010), I sat in a room where the then pensions minister (Steve Webb) asked a group of pension providers who expected to be offering workplace pensions in 2017. Only NEST put its hand up! The government may have considered that the peril of genuine choice would have become the rather easier decision we know as “Hobson’s choice” – a choice of one.

But this has not turned out to be the case. There are a number of good pensions that rival NEST and when the government ask employers to choose,

they need to think not just of NEST but of other options. A colleague of mine, who used to be a teacher, put it well in a recent training session (see panel): “When you do your maths exam, you’ll get a mark for being right but two marks for showing your working”

The peril of pensions is not in the answer. It is unlikely that (post the Pension Schemes Act) we will see a workplace pension fail. The peril is in not being able to show the working.

We know exactly what happens when an intangible product is sold without a proper recorded explanation (an audit trail). There may have been proper sales of PPI but the banks had no way to prove that the customer understood what they were buying and the risks of purchase.

The same story is familiar to old pension lags like me.

When I sold my business in 1992 its value was impaired by 50% – not because I had given bad advice, but because I had no documentation to show that the advice was good.

Your clients may not know about pensions and many of them do not care to know. As accountants and payroll people, you may not know (or want to know) about pensions. You need – urgently – to “know a man who does”. ♦

Henry Tapper, director, First Actuarial

AE observations

I ran a very interesting series of training sessions on workplace pensions in December. One of the objectives was to flush out how payroll people and accountants explain the pension decision to their clients.

Listed below are the top ten messages fed back to us.

1. We just use NEST
2. We know and use an IFA
3. Our clients are too small to think about this
4. We don’t want to be involved in giving advice

5. Pension advice is too expensive
6. I don’t have anyone to help on this
7. We can’t afford to use third parties
8. All pensions are the same
9. How can anyone predict what is best in the future?
10. All my client wants to know is how much AE will cost

I am sure that a lot of these statements will resonate with you! But do you, in your heart of hearts, feel comfortable about pensions – even if you ‘own’ some of these statements?

PAYROLLWORLD SPRING UPDATE

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Keynote speakers



Carole Mellis
SPARROWS GROUP



Michelle Sutton
ADMIRAL GROUP



Debby Cain
STAGECOACH GROUP



Phil Nilson
HMRC



Chris Watt
PWC

Agenda at a glance

8.50	Opening address	
9.00	Payroll in the wider organisation: HR, pensions & reward	
9.35	HMRC update	
10.10	National insurance update	
10.45	Networking and exhibition break	
	IN-HOUSE PAYROLL CONFERENCE	
11.15	The Apprenticeship Levy for the UK	
11.50	Employment status update	
12.25	Lunch, networking and exhibition break	
	OPERATIONAL EXCELLENCE	REGULATIONS AND COMPLIANCE
13.25	Effective international payroll solution	Termination payments
14.00	Gender pay gap reporting	Shard grand-parental leave
14.35	Case study: Payroll fraud prevention	Tax free childcare
15.10	Networking and exhibition break	
15.40	The impact of devolved taxation on payroll	
16.15	DWP: Auto-enrolment update	
16.50	End of conference	

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Salary sacrifice and benefits in kind

Growing your business

CLIENT PAYROLL *continued*

Bureaux: Adapting as payroll
changes in a business

Auto-enrolment
update

Which pension schemes will help
my business grow?

More speakers

Ian Giles
HR and Payroll
Implementation
Manager
INTU

Karen Thomson
Director -
Group Payroll Services
ARMSTRONG WATSON

Samantha George
Partner
**ARRAM BERLYN
GARDNER**

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Rob O'Carroll
Head of Automatic
Enrolment, NEST Policy
and Stewardship
DWP

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BLAKE MORGAN

Devil in the detail

Sarah Peacock examines the detail of the final gender pay reporting regulations: what are the key changes from the government's previous draft?



The draft Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 were laid before Parliament on 6

December to come into force on 6 April 2017, requiring private and voluntary sector employers with 250+ employees to publish information about gender pay. Regulations for the public sector in England will follow, and while the Equality Act 2010 does not apply to Northern Ireland, gender pay reporting will eventually also be introduced there.

Employers must report if they have 250 or more employees on 5 April 2017, and each subsequent 5 April (not 30 April as in the previous draft). The government has confirmed there is no requirement to count employees of other group companies; each company stands on its own.

As with discrimination, 'employment' includes a contract of employment, contract of apprenticeship, or contract personally to do work. This includes some non-employees, e.g. 'workers', 'self-employed' contractors and 'members' (partners) of LLPs if required to do work personally. So 'employees' for the reporting threshold is broadly defined.

However, only the pay data of 'relevant employees' is reported on. An employer could reach the reporting threshold, but have less than 250 'relevant employees' to report on. LLP members are now not 'relevant employees' for this purpose (another change). Nor will the employer have to report if the employer does not have, and it is not reasonable to obtain the data for those under a contract personally

to do work (e.g. self-employed contractors or agency workers).

The final Regulations no longer limit 'employees' to those working in Great Britain under a UK contract. Since the Equality Act 2010 is silent about territorial scope, the test of which international staff are included (for the threshold or reporting) is in case law – dependent on various factors including the closeness of connection with Great Britain. Employers with staff overseas should take legal advice on whether to include them for the threshold or reporting purposes. The employer might seek to argue it does not have, and cannot reasonably obtain such data. Forthcoming non-statutory guidance may also provide some answers.

Most information to be reported remains the same, with notable differences:

- For the percentage difference between the hourly rate for male and females (mean and median hourly rate), only 'full pay employees' are included. Employees on nil/reduced pay through holiday, sick leave, special leave, maternity, paternity, adoption, parental, or shared parental leave are now not included.
- Employers must publish the percentage difference between the median – as well as mean – bonus pay paid to male and female employees over the 12 months ending 5 April. The proportion of male and female employees paid bonuses over the same period must be expressed as a proportion of all employees of the same gender. Bonus figures are not limited to 'full pay employees' – so would include those on leave, but not anyone not employed on 5 April.
- How to publish the proportions of

male and female employees in four quartile pay bands is substantially clarified. It requires ranking 'full pay' employees from lowest to highest paid, dividing them into 4 equal groups, then expressing the proportion of men in the quartile as a percentage of all employees in that quartile, and the same for women. To prevent manipulation where employees at the same hourly rate fall within more than one quartile, employees should be ranked so that the relevant quartiles contain the same proportion of male and female employees with that hourly rate.

- The Regulations set out more clearly how to calculate gross hourly pay to account for casual workers.
- 'Pay' now includes only a relevant proportion of bonus pay if paid during the snapshot period.
- Finally, bonus pay is expanded to include remuneration in the form of money, vouchers, security options, or interests in securities, with clarification on when they are treated as 'paid'.

While the Regulations contain no sanctions for non-compliance, the Explanatory Notes suggest that the Equality and Human Rights Commission could take enforcement action. The implications for recruitment, retention, and reputation should not be underestimated. Many employers will want to accompany figures with a narrative. Although publication is not compulsory before 4 April 2018, there is a small window to get to grips with the detail of the Regulations and undertake a 'dummy run' before the snapshot pay period of 5 April 2017, to be prepared for any unexpected results. ♦

Sarah Peacock, partner, Blake Morgan

Keypoints

The final draft regulations differ from the previous version. Ensure you understand exactly what the regulations require

Employers with staff overseas will need to take legal advice on whether they count towards the threshold

A 'dummy run' of the figures may prepare employers for any unexpected results and give a window of opportunity to review pay

CHASE MOULANDE

What are the benefits?

In today's competitive candidate market, employee benefits are a must if you want to secure the best talent, according to recruitment expert **Richard Ashley**



There was a time when a decent salary was sufficient to identify and retain the best talent in your sector. However, as the employment

market continues to face an acute candidate shortage, attractive benefits are the bare minimum for keeping employees happy and providing enticement and motivation to make best use of their output and loyalty, especially in mid to senior positions.

The introduction and development of benefits in the UK is still immature, unlike in, say, the USA, where the success and attractiveness has been driven by their healthcare system. In the UK, there is a real opportunity to use benefits to create and build a contented workforce.

Why offer benefits?

A competitive base salary and the offering of benefits will differentiate you as an employer and make your business more attractive to existing and future employees. A recent survey found that 80% of job hunters enquire about a potential employer's benefits package. Staff receiving benefits will have a monetary incentive for perks such as health plans, which the employee may have otherwise funded themselves.

Employee retention

Benefits provide a boost to employee morale; the same survey found that 70% of employees are more motivated and likely to stay at a company when offered attractive benefits. Consequently, benefits will minimise the threat of disruption to

day-to-day business and avoid the cost of replacing employees.

What is the cost to business?

Although providing employee benefits will cost the business in the beginning, the results will definitely outweigh that cost. The expenditure can be justified through employee retention, a more productive workforce and, if healthcare is provided, a healthier one – eliminating the amount of sick days.

Types of benefits

Without wishing to preach to the converted, flexible benefit plans permit employees to tailor their benefit package to suit their personal needs. Altering the benefits offered could adjust their salary by taking the minimum or maximum benefits on offer. Flexible benefits could include health schemes or various insurance, including critical illness, long-term disability or life assurance.

Other areas of flexible benefits include enhanced pension or holiday entitlement – these are usually described as core benefits. Non-core benefits could include superior health entitlement, such as family cover and the provision of gym membership.

Other types of benefits include 'voluntary' benefits. If offered, these are benefits that employees can choose to opt into. As with flexible benefits, employees can use part of their salary in exchange for the employer paying. In a salary sacrifice arrangement, the employee relinquishes their right to part of the cash remuneration due under their contract of employment. The sacrifice is made in return for the employer's agreement to

provide them with a non-cash benefit. Some of these arrangements are tax efficient, including areas such as childcare vouchers, cycle to work schemes and increased pension contributions.

A recent survey of UK employees found that half of us would sacrifice 5% of our annual income for benefits such as an enhanced pension and more annual leave.

Lifestyle choices

The UK has come a long way in providing enhancements other than salary, but job seekers and employees are increasingly seeking 'lifestyle' benefits. While employees will tolerate exchanging some of their salary for the best benefits, employers need to be pioneering and go the extra mile to keep their best workers through the right perks.

Innovative areas adopted by some of the leading employers include additional days off for employees' birthdays, a day off for Christmas shopping, or time off for paid volunteering days – examples include working directly for a charity or through health or education support.

Softer perks could include providing breakfast and free or subsidised lunches. Generous benefits might include complimentary or discounted air travel or holidays, and paid sabbaticals in recognition of long service. While all these have a tax and National Insurance implication and undoubtedly would be a headache to administer, employers need to pay attention to what a more demanding and modern workforce desires, rather than assuming the minimum is adequate. ♦

Richard Ashley, recruitment sales manager, Chase Moulande

Keypoints

Offering a competitive benefits package can help to attract and retain the most talented employees on the market

There are other advantages, including increased productivity through a happier and healthier workforce

Another effective method is to offer workplace perks, such as extra days off or free/subsidised meals

It's a wild world

Caroline Humphreys is payroll manager for the Fish Partnership, whose premises are treated to the presence of ducks, herons and kingfishers, with payroll workers all beavering away in the background



If you want to take part in 'If I paid the world', contact the editor at Payroll World on 020 7940 4814, or send an email to: editor@payrollworld.com

Payroll World: Tell us about the company you work for.

Caroline Humphreys: The Fish Partnership has been operating in Loudwater, High Wycombe, since April 1969. It is a firm of chartered accountants, tax advisers and business advisers.

PW: Tell us a little about your team.

CH: We are a team of four, each with our own specialisms. I have a background in HR and finance, our senior payroll administrator has a strong background in running larger payrolls, our administrator basically keeps us all in line and out of trouble, and we have a newly recruited assistant to help us with our clients' auto-enrolment needs.

PW: What's the first job you ever did?

CH: My first job was as a junior in a high street bank.

PW: How did you get into payroll?

CH: I was working in the finance team of a manufacturing plant taking care of VAT returns and Intrastats when the payroll clerk left, so I seized my opportunity. I asked my employers if they would be prepared to train me up to take over the running of their payroll, and luckily for me they said yes!

PW: What do you enjoy most about your job?

CH: Every day is a learning opportunity. There is never a dull day when you are working on client payrolls. Our clients see us as an extension of their teams, and we are asked all sorts of interesting questions, and on the rare occasion we don't know the answers, we quickly find them out!

PW: What do you find most challenging about your job?

CH: Keeping abreast of the ever-changing responsibilities that are put upon payroll teams. We are currently assisting many of our clients with their auto-enrolment responsibilities.

PW: What's been your career highlight so far?

CH: I was very proud of my team when

we won a client payroll champion award in 2014. We pride ourselves on going the extra mile, so it was fantastic to receive that industry recognition for the services that we provide.

PW: Who would you like to have on your payroll and why?

CH: For many of our clients we become part of their teams so we get to build up really good relationships with them. It's not so much as who would I like on my payroll – it's more about who would I like to have as a client.

PW: Do you think payroll gets the respect it deserves?

CH: Possibly not! We beaver along in the background, and if we hear nothing, that generally means everything is going OK.

PW: If there was one thing you could change about HMRC what would it be?

CH: Where do I start? If I had to choose one thing it would be to make their internal systems integrate more closely with each other. My frustration is that some departments appear to hold completely different figures from their colleagues. It can make our job very frustrating and challenging at times.

PW: Who or what makes you laugh?

CH: I enjoy many comedy shows, ranging from Modern Family, way back to the original Carry On films, but I am partial to Only Fools and Horses. There are so many classic one-liners in them.

PW: What can you see from your window at work?

CH: We are very lucky to work in a lovely old building that is on the site that used to be a mill, so we see ducks, herons, kingfishers and plenty of other wildlife.

PW: What do you think payroll will be like in 50 years' time?

CH: I think in 50 years' time there may not be payrollers as we know them today. Everything will be so automated that there will be no need for people to complete monthly processes. ♦

Take time out and test yourself!

Paybreak

QuickQuiz

1 If someone dies on 5 July (three months into the tax year), how much personal allowance for income tax are they allowed to claim for that year?

- a. The whole year's worth
- b. One quarter of the year's worth
- c. None

2 Which of these statements is true about the 2p coin?

- a. The bronze in them is worth at least 3p
- b. Those minted from 2012 can be picked up with a magnet
- c. They are not legal tender in Cornwall

3 If you are required to collect repayments of a student loan, what percentage do you use above the threshold?

- a. 6%
- b. 9%
- c. 10%



4 What condition must be met for a married woman to be able to pay the reduced rate of National Insurance?

- a. She must have made an election to do so before 1977
- b. She must have married before 1980
- c. Her husband must have already paid 30 years' contributions

5 There is a tax-advantaged scheme known as CSOP where employees may acquire an interest in their employer. What does the letter C stand for?

- a. Consideration
- b. Commensurate
- c. Company

How did you do?

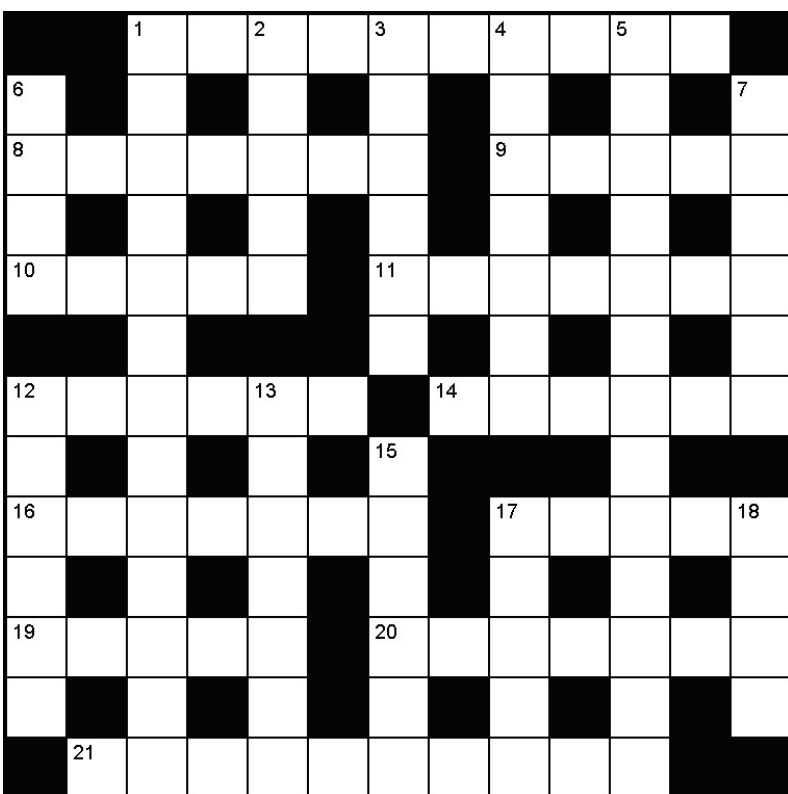
Score: 5. You have clearly benefited from reading *Payroll World* and so you must be sure to renew your subscription

Score: 3-4. A brush-up is needed – we suggest you join a discussion with our LinkedIn group at <http://linkd.in/1SC8nfw>

Score: 2 or less. You need to learn a lot more! Make sure you have a daily catch-up with the latest news at www.payrollworld.com

5 (c) CSOP stands for company share option plan
 4 (a) There are other conditions
 3 (b)
 than bronze
 2 (b) They are made from copper-plated steel rather
 1 (a)

Crossword



ACROSS

- 1 Person who provides canine help to the police (3,7)
- 8 Issues, concerns (7)
- 9 Material from which £5 notes are no longer made (5)
- 10 Healed (5)
- 11 Brag, be an exhibitionist (4,3)
- 12 Last working day of a five-day week (6)
- 14 Description of unfilled job (6)
- 16 Person who gives education (7)
- 17 Belief, trust (5)
- 19 Occur, crop up, stand up (5)
- 20 Making offers at an auction or in a tender (7)
- 21 Earnings that increase automatically by inflation (7,3)

DOWN

- 1 Judgment given after consideration; commitment to achieve (13)
- 2 Sin of wanting too much (5)
- 3 Determine an amount, such as for a tax return (6)
- 4 Certificate of achievement (7)
- 5 Quality of being able to be engaged as a worker (13)
- 6 Abbreviation of the UK's main tax authority (4)
- 7 Excess of price over cost (6)
- 12 Someone, usually an executive, who has too much 2 down; large feline (3,3)
- 13 Reach a goal, such as by showing 1 down (7)
- 15 Three times as much (6)
- 17 Bored, frustrated, disenchanted (3,2)
- 18 Big, as in a rate of pay (4)

Good luck! Last month's answers below.

Last month's crossword solution

ACROSS 1 diminished; 8 extract; 9 actor; 10 terms; 11 retiree; 12 raised; 14 treaty; 16 charter; 17 plain; 19 raise; 20 freedom; 21 investment.
 DOWN 1 determination; 2 meals; 3 nature; 4 starter; 5 external audit; 6 vest; 7 greedy; 12 record; 13 extreme; 15 profit; 17 piece; 18 name.

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Woodford Green, Essex IG8 8HD
Tel: 020 8550 7758
Email: sales@payrollbs.co.uk
Website: payrollbs.co.uk
Contact: Sales
Target employee range: Unlimited

Payroll Business Solutions are a **BACS Approved Bureau** and a leading UK developer of **HMRC-recognised** payroll software. As such we are able to maximise efficiencies and technological innovation for our outsourced services clients. Choose any level of provision, from payslip printing to fully managed payroll service. Friendly and experienced staff, integration with your HR and accounts systems, full compliance for **RTI** and optional services such as **pensions auto-enrolment** assessment and pension provider interface. Contact us today for detailed service information and pricing.



WEALDEN COMPUTING SERVICES LTD

Unit 6 Sovereign Business Centre,
33 Stockingswater Lane,
Enfield, Middlesex EN3 7XJ
Tel: 020 8364 7177
Email: sales@wealden.net
Website: wealden.net
Contact: George Williams
Target employee range: Unlimited

In this market experience counts. There is no room for mistakes when delivering payroll to numerous prestigious UK companies. Established in 1983, we provide BACS and HMRC accredited fully managed and outsourced Payroll services, week in week out, efficiently, accurately and cost effectively. We are agile and flexible and by listening to our customers we provide a service governed to their needs, now and into the future. But, we don't just stop at the traditional processing services, we often extend and go beyond to provide completely hosted services incorporating all our HR systems, online payslips, and other confidential documents that are easily accessible 24/7 by our customers' employees. A powerful solution tailored to meet the needs of our customers ensuring they are in control of their critical information and business processes.



GLOBAL PAYROLL / HR SOLUTIONS

CINTRA HR & PAYROLL SERVICES

Computer House, 353 High Street,
Gateshead, Tyne and Wear NE8 1ET
Tel: 0191 4787000
Email: sales@cintra.co.uk
Website: cintra.co.uk
Contact: Nham Lee
Target employee range: Up to 20,000

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



GLOBAL PAYROLL / HR SOLUTIONS

FRONTIER SOFTWARE

63 Guildford Road, Lightwater,
Surrey GU18 5SA
Tel: 0845 3703210
Email: sales@frontiersoftware.com
Website: frontiersoftware.com
Contact: Sales department

Frontier Software, established in 1983, is a leading provider of HR Solutions with over 16000 customers in 13 countries worldwide. Our payroll solution is available in each country of operation. chris21 is a secure multi language HR database for all organisations around the world.

- Internet/intranet 24/7 access
- Employee & manager self service
- Complete audit capabilities
- End- user customisation



IMPLEMENTATION SUPPORT

i-REALISE

6-9 The Square, Stockley Park,
Uxbridge UB11 1FW
Tel: 020 3008 6359
E-mail: info@i-realise.co.uk
Website: i-realise.co.uk
Contact: Claudette Lovett

i-Realise bridges the gap between the needs of the business and the payroll system provider to ensure a successful implementation, regardless of whether the payroll system is managed in-house or outsourced. By adding experience, resources and skills in project management, business analysis and change management, i-Realise bolsters your team to provide the right skill sets. i-Realise ensures that any payroll system is implemented smoothly and effectively, delivering real value to the business.



INTEGRATED PAYROLL & HR SOLUTIONS

CAPITA

HR solutions
65 Gresham Street
London EC2V 7NQ
Tel: 020 7960 7769
Email: hrsolutions@capita.co.uk
Website: capitahrsolutions.co.uk
Target employee range: Unlimited

Capita HR Solutions supports the complete employee lifecycle. As a trusted partner with more than 25 years' experience in the delivery of outsourced payroll, HR, HR advisory and HR analytics, Capita has an excellent track record in implementation and delivery. We are the sole touchpoint for payslips, ad-hoc allowances and bonuses - and we commit to delivering a better service year-on-year. Our HR advisory service supports day to day processes as well as redeployment, outplacement, relocation and changes to business structure. Our analytics capabilities enable businesses to make informed data-driven HR decisions. We help organisations make cost savings, reduce risk, operate more efficiently. Find out more about Capita's payroll and HR services: capitahrsolutions.co.uk/our-solutions



CARVAL COMPUTING LIMITED

Interchange Business Centre,
Howard Way, Interchange Park,
Newport Pagnell MK16 9PY
Tel: 01908 787700
Email: sales@carval.co.uk
Website: carval.co.uk
Contact: Emma Clare
Target employee range: Unlimited

Carval provides uniquely integrated HR, Payroll, Time and Attendance systems and outsourced payroll services. Our market-leading HR Unity software, which includes employee self-service technology and mobile apps, is used by over 300 organisations throughout the UK in virtually every sector.

- Improve policy adherence and efficiency with automated processes
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- Communicate effectively with your employees
- Stay in line with the latest legislation and technologies with our free upgrade programme.



CINTR A HR & PAYROLL SERVICES

Computer House, 353 High Street,
Gateshead, Tyne and Wear NE8 1ET
Tel: +44 (0) 191 4787000
Email: sales@cintra.co.uk
Website: cintra.co.uk
Contact: Nham Lee
Target employee range: Up to 20,000

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



INTEGRATED PAYROLL & HR SOLUTIONS

FRONTIER SOFTWARE

63 Guildford Road, Lightwater,
Surrey GU18 5SA
Tel: 0845 3703210
Email: sales@frontiersoftware.com
Website: frontiersoftware.com
Contact: Sales Department
Target employee range: Unlimited

Frontier Software PLC, a leading provider of integrated HR and Payroll solutions, offers total integration across all modules. The easy to use and versatile products meet the ever changing needs of Human Resource and payroll management to organisations in the UK and worldwide. chris21 is continually enhanced and updated to keep abreast of business and government legislative changes. Additional modules include Time & Attendance, Employee/Manager self service, Learning and Development, Recruitment, expenses and health & safety. Frontier Software PLC is accredited to PAYE Recognition Scheme, ISO27001 and ISO9001:2000 and BACS approved.



INTELLIGO

78 York Street, London W1H 1DP
Tel: 0800 0390116
Email: sales@intelligosoftware.co.uk
Website: intelligosoftware.co.uk
Contact: Fiona Cullinane
Target employee range: Unlimited

Intelligo is a leading provider of corporate Human Resource and Payroll Software and Services in the UK and Ireland with clients ranging in size from 300 to 20,000+ employees. Megapay, Intelligo's owned and developed flagship payroll system integrates seamlessly with MegaHR, a web-based enterprise level Human Resource solution. Built on a shared database this allows for accurate sharing of information such as job history, salary history, holiday leave, etc between Payroll and Personnel, ensuring key employee data is entered only once. Megapay and MegaHR are available to purchase as either an On Premises installed solution or on a Software as a Service (SaaS) basis. Additional modules include Employee/Line Manager Self Service, Training, Recruitment, Consultancy, plus much more.



PYRAMID HR LTD

Holly Farm Business Park, Honiley,
Kenilworth, Warwickshire CV8 1NP
Tel: 01926 485085
Email: sales@pyramidhr.co.uk
Website: pyramidhr.co.uk
Contact: Mark Franklin
Target employee range: 100 to unlimited

Pyramid is a complete HR and Payroll solution within a single database. Pyramid offers all the functionality to make life easier for even the busiest of HR and/or Payroll departments. Pyramid is best suited to organisations who want professional solutions with flexibility and on-going user friendly support. Our single database solution caters for payroll, personnel, recruitment, absence, training, expenses, time management and vehicle administration; all with built-in report writer for producing letters, reports and emails. Optionally available, employee and manager self service.



SAGE

4 Witan Way, Witney, Oxon, OX28 6FF
Tel: 0800 694 0568
Email: SnowdropKCS@sage.com
Contact: Sales
Target employee range: 100+

Sage HR & Payroll has over 30 years of experience delivering integrated HR and payroll solutions, to many of the UK's successful mid and large organisations. We offer a wide range of solutions, encompassing everything from recruitment, personnel and payroll, through to training & development performance management, self-service and payroll outsourcing. To find out more about our HR & Payroll software visit sage-snowdropkcs.co.uk



WEALDEN COMPUTING SERVICES LTD

Unit 6 Sovereign Business Centre,
33 Stockingswater Lane,
Enfield, Middlesex EN3 7XJ
Tel: 020 8364 7177
Email: sales@wealden.net
Website: wealden.net
Contact: George Williams
Target employee range: Unlimited

Wealden Computing Services is a leading provider of integrated HR, Payroll and Time and Attendance systems with a long pedigree of creating functionally rich systems to meet organisation and employee requirements now and into the future. Working closely in partnership with our customers Wealden is able to deliver configurable, flexible and reliable solutions that meet the complex requirements of a modern payroll. Delivered as stand alone or an integrated solution that can be in-house, managed or hosted and accessible 24/7. Powerful solutions tailored to meet our customer's needs ensuring they control critical information and business processes. **Payroll: HR: Self-Service: Time and Attendance: Payroll Bureau Services: Hosted Services: Training: Consultancy.**



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CINTRA HR & PAYROLL SERVICES

Computer House, 353 High Street,
Gateshead, Tyne and Wear NE8 1ET
Tel: 0191 4787000
Email: sales@cintra.co.uk
Website: cintra.co.uk
Contact: Nham Lee
Target employee range: Up to 20,000

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



FRONTIER SOFTWARE

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

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

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



INTELLIGO

78 York Street, London W1H 1DP
Tel: 0800 0390116
Email: sales@intelligosoftware.co.uk
Website: intelligosoftware.co.uk
Contact: Frances McDonald
Target employee range: Unlimited

Intelligo's tailored payroll service, Intellipay, encompasses everything from a basic bureau service to a fully managed payroll solution where we become your payroll department. For a fixed monthly fee we process your payroll using our own renowned payroll software, Megapay. Our solution comprises:

- Full payroll processing including all statutory returns
 - Extensive Suite of Payroll Reports
 - Auto Enrolment and RTI compliant
 - Allocated, Highly Experienced, Payroll Specialists
 - Branded Employee Helpline
 - Employee Self Service web portal
- Intelligo is a true Partner for your Payroll needs.



SAGE

4 Witan Way, Witney, Oxon, OX28 6FF
Tel: 0800 694 0568
Email: SnowdropKCS@sage.com
Contact: Sales
Target employee range: 100+

Sage Payroll Outsource Services offers a range of flexible payroll service options that are designed to ease the headache of payroll administration. Whether you want fully managed, part managed or bureau we can offer a service that matches your needs now and in the future. To find out more about our Payroll Outsource solution visit sage-snowdropkcs.co.uk



SCC PAYROLL, HR & DATA SERVICES

Lyndon Place, 2096 Coventry Road,
Sheldon, Birmingham B26 3YU
Tel: 0845 357 0111
Email: tim.markham@scc.com
Website: sccsfm.com
Contact: Tim Markham
Target employee range: 250 to 30,000

SCC are a leading provider of Managed Payroll & HR solutions, with over 35 years of experience and a wide range of clients across all sectors. We specialise in offering a tailored service, delivered and hosted in the UK. Optimise Payroll & HR, our integrated cloud-based solution, provides flexible online and on-device access. Optimise is a modular solution that also includes employee and management self-service, recruitment, training, T&A, HR analytics and more.



P11D EXPENSES & BENEFITS

PERSONAL AUDIT SYSTEMS LTD

Unit 5, Enterprise House,
Manchester Science Park,
Manchester M15 6SE
Tel: 0161 820 7113
Email: sales@p11dorganiser.co.uk
Website: p11dorganiser.co.uk
Contact: Graham Whitehouse
Target employee range: 100 to 100,000+

The P11D Organiser is the most powerful, easy to use and comprehensive solution to completing P11D returns. Currently the UK's market-leading P11D software package, acclaimed for its ability to deal with any number of returns, ease of use and customer support. Offering multiple electronic reporting features as standard, such as P11D e.m ail delivery and Government Gateway facilities, the P11D Organiser is the most advanced and powerful system for managing and reporting benefits and expenses. The package's intelligent data import routines offers power with flexibility. Cutting edge software backed up by a prestigious blue-chip client base makes the P11D Organiser the perfect solution for businesses of all sectors and sizes.



PAYROLL MARKET INTELLIGENCE

NEW PAYROLL WORLD CLUB MEMBERSHIP

1st Floor, Axe & Bottle Court,
70 Newcomen Street, London SE1 1YT
Tel: 020 7940 4801
Email: payrollclub@payrollworld.com
Website: payrollworld.com
Contact: Lauren McWilliams

From software to conference passes, the Payroll World Club covers your every payroll need. Join the club and receive an annual subscription to Payroll World magazine, exclusive subscriber access to payrollworld.com, Qtax Pro calculator, plus conference tickets and save over £250 in the process! Contact us today for more information.



RECRUITMENT

CHASE MOULANDE

Unit 3 Wool House, 74 Back Church Lane,
London E1 1LX
Tel: 0203 861 1222
Email: richardashley@chasemoulande.com
Website: chasemoulande.com
Contact: Richard Ashley
Target employee range: 50 to 100,000

Chase Moulande is one of the UK's leading payroll/HR recruitment specialists. Covering the whole of the UK we provide the market with a wide range of experienced permanent, interim and temporary staff within all of the following areas:

- Payroll professionals (all levels)
- Expatriate
- HRIS Consultant / Project Manager
- Systems developers / Product
- Sales (Pre / Post, Account management)
- Compensation & Benefits
- EMEA
- Shared Services (Payroll/HR)



PAYROLL WORLD

1st Floor, Axe & Bottle Court,
70 Newcomen Street, London SE1 1YT
Tel: 020 7940 4801
Email: sales@payrollworld.com
Website: payrollworld.com
Contact: Sales department
Target employee range: All PAYE employers

Payroll World offers online job advertising at payrollworld.com. The website receives over 8,000 unique visitors and the job section is the most popular area, making this a great opportunity for you to find the perfect candidate for your job. Your entry will include your company logo and a description of the position being advertised. Whatever area of the payroll market you are targeting, there is no better place to advertise. Take advantage – call the sales team now.



SOFTWARE

FRONTIER SOFTWARE

63 Guildford Road, Lightwater,
Surrey GU18 5SA
Tel: 0845 3703210
Email: sales@frontiersoftware.com
Website: frontiersoftware.com
Contact: Sales department
Target employee range: Unlimited

Frontier Software PLC, a leading provider of integrated HR and Payroll solutions, offers total integration across all modules. The easy to use and versatile products meet the ever changing needs of Human Resource and payroll management to organisations in the UK and worldwide. chris21 is continually enhanced and updated to keep abreast of business and government legislative changes. Additional modules include Time & Attendance, Employee/Manager self service, Learning and Development, Recruitment, expenses and health & safety. Frontier Software PLC is accredited to PAYE Recognition Scheme, ISO27001 and ISO9001:2000 and BACS approved.



INTELLIGO

78 York Street, London W1H 1DP
Tel: 0800 0390116
Email: sales@intelligosoftware.co.uk
Website: intelligosoftware.co.uk
Contact: Fiona Cullinane
Target employee range: Unlimited

Intelligo's flagship payroll product, Megapay is the Number 1 payroll system choice for corporate organisations and public sector. Megapay is used throughout every major industry from Manufacturing, Telecoms, Top 5 Accounting Firms, Government Departments, Retail Sector, etc., with clients ranging in size from 300 to 20,000+ employees. As a Certified Workday Partner, the system fully integrates with Workday. In addition Megapay also interfaces with leading T&A and Financial applications. Megapay is available to purchase as either an On Premises installed solution or on a Software as a Service (SaaS) basis.
RTI • Auto-Enrolment • HMRC Integration • Statutory Payment Processing
• Employee Self Service • HR Integration



SOFTWARE

PAYROLL BUSINESS SOLUTIONS

Unit 6 Bourne Court, Southend Road,
Woodford Green, Essex IG8 8HD
Tel: 020 8550 7758
Email: sales@payrollbs.co.uk
Website: payrollbs.co.uk
Contact: Sales
Target employee range: 25 to unlimited

Accord Payroll simplifies payroll processing through advanced features that include statutory and occupational sickness and maternity schemes, holiday entitlement, salary sacrifice, umbrella company calculations, expenses dispensation and user definable calculations. We offer hosted (SaaS) and in-house software solutions. Our software is HMRC-recognised for EOY and RTI e-filing and basic payroll values. Advanced accounting features with journal export, plus HMRC DPS Interface for outgoing documents and notifications from HMRC.

Optional, fully Integrated modules: Accord MyPay – online payslips and P60s, P11D and reports, pensions auto-enrolment –assessment and pension provider interface, recruitment modules – Accord timesheets, invoicing and credit control, Accord CIS.



PEGASUS SOFTWARE LTD

Address: Orion House,
Orion Way, Kettering,
Northamptonshire NN15 6PE
Tel: 0800 919704
Email: info@pegasus.co.uk
Website: pegasus.co.uk
Contact: Enquiries department
Target employee range: 1 to unlimited

With over 30 years' experience, Pegasus Software is a market leading supplier of payroll & HR software with HMRC PAYE Recognition. Opera 3 Payroll & HR simplifies complicated payroll procedures and caters for RTI, auto enrolment and salary sacrifice as standard. Integration is built to popular pension providers; NEST and NOW: Pensions is built in. It's flexible for your business needs, available as an integrated solution or stand alone. It's functionally rich including e-mail payslips and P60s; Statutory Payments and AEOs; P11 & P32 processing, reporting and consolidation; Directors NI & Retrospective NI Calculations; Detailed history and payslip retention for 999 periods; user-definable payroll view with drilldown; integration with Document Management software, Business Intelligence and web based Payroll Self Service is also available.



SOFTWARE AS A SERVICE

FRONTIER SOFTWARE

63 Guildford Road, Lightwater,
Surrey GU18 5SA
Tel: 0845 3703210
Email: sales@frontiersoftware.com
Website: frontiersoftware.com
Contact: Sales Department
Target employee range: 1 to 50,000

Founded in 1983, Frontier Software PLC is one of the most trusted global suppliers of HR and Payroll software and services to all areas of the public and private sectors.

Implementation of the fast growing technology platform of Software-as-a-Service (SaaS) has allowed Frontier Software PLC to meet their client's needs and produce measurable business benefits both in the UK as well as around the World.



TRAINING

PAYROLL WORLD TRAINING IN ASSOCIATION WITH LEARN PAYROLL

The Learn Centre Ltd
3A Penns Road, Petersfield,
Hampshire GU32 2EW
Tel: 01798 861111
Email: michael@thelearncentre.co.uk
Website: payrollworld.com/content/training
Contact: Michael Short
Target employee range: All PAYE employers

Payroll World has been well respected by payroll, HR and finance professionals for over 11 years for incisive comment and practical advice. Now in association with Learn Payroll, we offer a select range of CPD **certified short courses** to develop real skills in key areas of payroll and related organisational change. Courses range from the Payroll Introduction course to the Payroll & HR Update. You can find the variety of courses available online and for more information call us today on **01798 861111**.

PAYROLLWORLD
TRAINING

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WORKFORCE MANAGEMENT

FRONTIER SOFTWARE

63 Guildford Road, Lightwater,
Surrey GU18 5SA
Tel: 0845 3703210
Email: sales@frontiersoftware.com
Website: frontiersoftware.com
Contact: Sales department
Target employee range: Unlimited

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Smiling in the face of payroll Payback

Robert Leach

Musician, accountant, mathematician and owner of the new £1 coin

Music lessons

The government has finally realised that not everyone fits neatly into the categories of either being employed with one employer, or completely self-employed. This leads to some arbitrary distinctions, made worse because the employed and self-employed are taxed differently and subject to completely different employment laws.

There is a growing tendency for people to have a portfolio of income-producing work. This is known as the gig economy. The term comes from musicians who can be variously employed or self-employed as session musicians, teachers, examiners, arrangers or coffee makers (when other work dries up).

Many times musicians just about make a living. Indeed, the only way to make a small fortune as a musician is to start with a large fortune. The definition of an optimist is an accordion player asking for a mortgage. The difference between a bass guitarist and an investment bond is that one day the bond will mature and start earning money.

Musicians have two financial problems: how to get by when they have no funds or assets, and how to arrange proper insurance for the £50,000 worth of instruments they own.

The only way to tell whether someone is a professional musician is to ask them if they are available for a session in the future. The amateur musician will ask, "What is the music?" The professional musician will



ask, "How much?" Some really experienced musicians may say they are busy that day, in the hope that you will up the fee. You reply, "Don't worry, I have got the names of four other trumpeters (or whatever) who I know will do the job for the fee." This does tend to unblock the diary. Similarly, soprano singers always get a throat infection two days before a concert. Tell the singer not to worry, you know another young singer, just out of music college, who is keen to perform this work and you'll ask her. This is a far more effective remedy than any cough mixture. People who have left music college are a good source of inexpensive gig economy, but not immediately. On leaving college, the student believes the world owes him or her a living. It usually takes about two months for the student to learn that the world does not share that view.

Indeed, some musicians realise that the gig economy is so precarious that they cease to regard it as their main source of income. It has even been known for a talented musician, church organist and dance band pianist whose works have been professionally broadcast, published and recorded, to become a chartered accountant and writer, and for him to earn a few coppers writing a column for a payroll magazine.

Bad maths

It has been reported that many maths books have had to be pulped. These books are produced to help students learn and revise maths.

The Times reports that the worst book was *Mastering Mathematics* from Hodder Education for students of the Welsh exam board, WJEC. It sells for £24.99.

It was found to contain 90 errors in the book and the separately sold answers. WJEC had not endorsed the book.

Clearly, teaching wrong maths is OK if the student is going

to work for HMRC issuing tax codes and assessments. It can even be an advantage if you are engaged in programming Trident missiles or costing the government's spending plans. But for payrollers who need to get numbers right, correct maths can be an advantage.

The right numbers

We asked Ron Numbers of the Payback College of Mathematics to explain the importance of getting numbers right. He told us: "It's very important to get numbers right. About 63% of

employers say that good maths is essential, while the other 48% say that it is important.

"Only 10% of employers – about one in 50 – say that maths do not matter.

"That's why we always test candidates on three topics where they must get all five right, though we may allow a retake if they only get three out of seven wrong.

"One of the questions is: 'If you have sales of £3m and costs of £1m, how much profit have you made?' Answers varied from £100m from student Enron

through to, 'None, because Westminster has not given us enough money – we need a new referendum,' from N Sturgeon from somewhere a long way north of Watford.



The new £1 coin

On 28 March 2017, the new £1 coin enters circulation. It is bimetallic, has 12 sides, alternately milled, and has micro-lettering that is invisible to the naked eye. It is the most secure coin in the world. One of its security features is so secure

that the Royal Mint refuses to say what it is.

I managed to obtain a coin from the Royal Mint in January. It has one fascinating feature. Underneath the picture of the Queen on the obverse is a rectangle of vertical lines. If you

look at this box from different angles, you can see the signs £ and 1 appear. It is the first coin to have a hologram.

You will soon have plenty of opportunity to see for yourself. The Royal Mint is producing 1,500 million of the new coin.

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THE SMARTEST AUTO ENROLMENT PLATFORM FOR WORKPLACE PENSIONS

Smart Pension - don't thank us. They'll thank you.

Not only is Smart Pension fast, secure and free, it's simple to manage and highly automated for employers and advisers, and low-cost for employees, leaving more in everyone's pocket.

Smart Pension is MAF-accredited and has also been awarded a 5 star Defaqto rating. Our quality is unrivalled.

Thousands have switched to Smart Pension already. You can try us for free.

Get in touch at:
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or call us now on:

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Advisers: 0333 666 20 20



FREE

Smart Pension is totally **FREE** for advisers and employers.

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FAST

Smart Pension has the **fastest, most advanced platform in the UK market**, with advanced payroll compatibility.



SECURE

Member contributions are only invested in blue-chip funds, from Legal & General and from HSBC (Sharia fund).

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Smart Pension
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Our Master Trust is
MAF Accredited.

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