

REWARD STRATEGY

INCORPORATING PAYROLL WORLD

Issue 215

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EAT, SLEEP, REWARD, REPEAT

Well, June was a busy month here at *Reward Strategy*. We had the Payroll & Reward Conference, sponsored by Western Union Business Solutions, and The 10th Anniversary Reward 300 Gala Dinner & Awards, sponsored by Cintra HR & Payroll Services.

This year, I chaired a panel session at the conference, which discussed the ways in which the pay and reward relationship can be better fostered. I was joined on the panel by Elizabeth Strong of Kerry Group, Megan O'Shaughnessy of BT, and Ian Hodson of University of Lincoln. The conversation flowed around communication, hierarchy and strategic thinking - all of which will be further explored in future RS Interviews (read more about the conference on p6).

Following the conference, The 10th Anniversary Reward 300 Gala Dinner & Awards took place, revealing the seven leading lights from each of the seven sections of The Reward 300 (see p7-9).

The celebratory evening saw guests entertained by comedian Rory O'Hanlon and with live music from Tokyo Band. Those that attend were also offered the chance to enter a charity prize draw, with champagne and afternoon teas up for grabs, which raised more than £880 for our chosen charity - Welsh Women's Aid.

Myself and Ben Miller, commercial director of Reward Strategy, will be running the Cardiff Half Marathon, this October, for Welsh Women's Aid. So, if you would like to support us, donations will be greatly appreciated and welcome at: **JustGiving** www.justgiving.com/fundraising/amber-benj-rewardstrategy

In June, we also launched the Payroll Autumn Update Conference - which aims to reflect the duties of a modern payroller - with speakers from companies including Addison Lee, Deliveroo, ITN and M&S. Following the conference, The Rewards will take place - for 2019, we have an exciting number of new categories, so keep your eyes peeled for news on this.

One of the awards we have introduced has a focus on diversity and inclusion, something our cover feature heavily discusses. Check out pages 18-20 to read more about how payroll, HR and reward managers could become overburdened with new pay gap reporting requirements.

To find out more about our future events, take a look at the Reward Strategy website or get in touch with me at apritchard@shardfinancialmedia.com



Amber-Ainsley Pritchard

“Conversation flowed around communication, hierarchy and strategic thinking”

Visit
reward-strategy.com



REWARD

- 06 75% OF MILLENNIALS WOULD TAKE A PAY CUT, WHY?**
The Payroll & Reward Conference explored findings on employee engagement, retention and technology
- 07 REWARDING DEDICATION**
Winners of The 10th Anniversary Reward 300 Gala Dinner & Awards are revealed
- 08 THE REWARD 300 2019**
Discover The Reward 300 2019 - a prestigious index which reflects the range of leading lights across reward

PAYROLL

- 15 "THE REMIT OF PAYROLL NEEDS TO EXPAND AGAIN"**
Karen Thomson explains the quirks of payrolling benefits in kind at a bureau
- 16 THE FUTURE OF PAYROLL**
Reward Strategy and Ceridian reveal the findings of its recent technology survey
- 21 THE WAITING GAME**
The government will be consulting on reforming Statutory Sick Pay soon, so the CIPP looks at the journey to date

HR

- 23 CHECK HOLIDAY OR FACE ACTION**
Michelle Hobson explains why businesses are facing increasing scrutiny on holiday pay and allocation
- 27 BREAK THE TABOO**
The menopause affects women everywhere, yet it's never talked about. The CIPD explains why this needs to change

WORKPLACE PENSIONS

- 28 MAKE PENSIONS DIGITAL**
Baroness Ros Altman explains how technology could ease payrollers' workloads when sharing pensions data
- 30 PROACTIVE PENSION PROTECTION**
The Pensions Regulator explains how it will check trustees are meeting their responsibilities correctly
- 31 WHERE'S THE FUN GONE?**
Things we buy, often, give us a great user experience, so Henry Tapper asks why our pension doesn't

EMPLOYMENT LAW

- 32 SHARED PARENTAL LEAVE: 1% TAKE UP**
Paul Hayward explains why he finds it hard to believe families will be "sharing the joy" anytime soon

DATES FOR YOUR DIARY

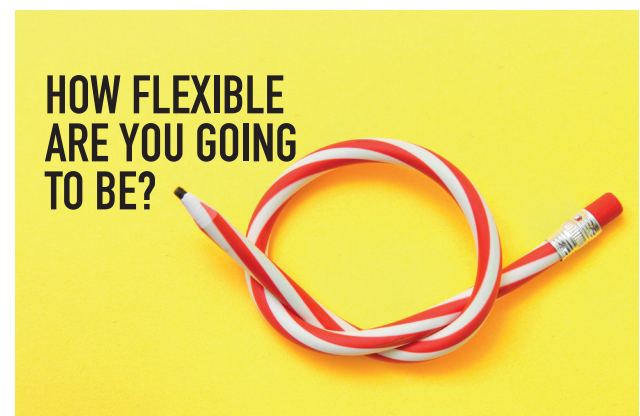
- 34 EVENTS CALENDAR**
Keep track of all Reward Strategy's events



- 10** Tim Robertson of ITN on reward professionals' characteristics, bias in salary setting and the need for portable benefits



- 18** Amber-Ainsley Pritchard explains how payroll, HR and reward managers could become overburdened with reporting requirements



- 24** Rigid workplaces could lose out on £12bn each year, so why aren't more offices embracing flexible working? Richard George reports

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Previously known as
Payroll World Club

75 PERCENT OF MILLENNIALS WOULD TAKE A PAY CUT, WHY?

Reward Strategy and The Payroll Centre returned for a second year to host the Payroll & Reward Conference, in London

At the Payroll & Reward Conference, which took place on June 5 and 6, Karen Penney, vice president of payment products, at headline sponsor Western Union Business Solutions, spoke on the importance of holistic payroll policies.

Penney explained the crucial need for a happy workforce, for retention and reputation purposes, as well as her research findings that higher employer satisfaction can predict higher returns.

Focusing on the importance of human capital, and millennials specifically, Penney revealed her research found 75

The needs of payroll

Moving away from pay and happiness, to the topic of technology needed for payrollers to more easily manage their workload, Brian Sparling, payroll delivery manager at Ceridian, revealed the findings of a survey Ceridian carried out in collaboration with Reward Strategy.

The survey explored the trends and applications of technology within the profession - read more about the findings on p16.

Thinking about the needs of a workforce further, Faaria Choudhary, relationship director at EQ Global, spoke about managing a global workforce in an



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Knowledge partners:



Exhibitors:



L-R: Adele Hauxwell of TridentTrust, Stacey Hooper of Virgin Atlantic Airways, Clare Warrington of GIST and Michelle Sutton of Suez

percent would take a pay cut to work for a more socially responsible company and 83 percent believe success goes beyond financial performance.

However, the research also found inadequate pay is the main reason why over half of UK workers are unhappy - with 40 percent of people considering leaving their current role saying pay was a driver of their unhappiness.

Similar to unhappy employees, Penney said inadequate payroll creates unhappiness. She said compensation by itself is not the only element to look out for - payroll has to be delivered correctly, on time, every time, or this could cause tremendous stress, embarrassment and disruption to the lives of employees and their families.

ever-changing world.

With the help of Rob Leftwich, vice president of finance and accounting EAPA at PRA Health Sciences, Choudhary highlighted the improvements EQGlobal and PRA health sciences have made, collaboratively, to make sure employees are paid the right amount at the right time, no matter where they are in the world. They focussed on the payroll funding cycle, as well as issues such as the cost of compliance, international payment considerations and legislation.

Across the two days of the conference, delegates also heard from a range of in-house professionals, regulators and individuals from the likes of PwC, Virgin Atlantic Airways, BT, Aon and Kerry Group. ■

REWARDING DEDICATION

The Reward 300 2019 index was revealed at the The 10th Anniversary Reward 300 Gala Dinner & Awards, sponsored by Cintra HR & Payroll Services, in London

In 2009, the Payroll Top 50 was launched to recognise the most influential individuals in the profession. Over the years, the remit of payroll has widened considerably. The function no longer focusses on technical tasks alone, but also strategic ones. Therefore, the move into this wider space - known to be reward - has meant the make up of the index has also changed, and gradually become The Reward 300.

This year marked the 10th anniversary of the index, and to mark this special occasion we evolved the recognition element to award the leading light from each of the seven sections:

- 100 Payroll Leaders, including 25 International Specialists, sponsored by Cintra HR & Payroll
- 50 Reward Industry Luminaries
- 50 Leaders within Knowledge and Professional Services
- 25 Pension Professionals, sponsored by EQ Global
- 25 HR Leaders, sponsored by JGA Recruitment
- 25 Employee Benefits Experts
- 25 Employment Lawyers

To the right, you will see the 2019 winners, along with award presenters and the evening's host, comedian Rory O'Hanlon, and overpage you will see the full Reward 300 2019 index.

Find out more about how to enter, the methodology and benefits, by visiting Reward Strategy's website and clicking on the "Reward 300" tab. ■



Employee Benefits Expert: Neil Robson, Northumbrian Water



Pensions Expert, sponsored by EQ Global: Ros Altmann, Former Pensions Minister



Employment Law Leader: Tarun Takwaley, Deliveroo (collected by Mirko D'Arcangelo, Deliveroo)



Knowledge and Professional Services Leader: Nick Day, JGA Recruitment



Payroll Leader, sponsored by Cintra HR & Payroll Services: Richie Jones, Deliveroo (collected by Mirko D'Arcangelo, Deliveroo)



HR Leader, sponsored by JGA Recruitment: Luke Wilkins, Gett



Reward Industry Luminary: Rosemary Lemon, Hays

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THE REWARD 300 2019

The Reward 300 2019 was revealed at the The 10th Anniversary Reward 300 Gala Dinner & Awards, sponsored by Cintra HR & Payroll Services, at The Chelsea Harbour Hotel, in London, on June 5 (see p7). Congratulations to all of this year's listees

50 Reward Industry Luminaries

Jane Allen - Travelport
 Mark Beacham - Domestic & General
 Zoe Brennan - Marshall Aerospace and Defence Group
 Chris Browne - Euromoney Institutional Investor
 Julie Catto - Howden
 Sheila Champion - Cisco
 Debs Chapman - Shop Direct
 Julia Clement - Skyscanner
 Debra Corey - DebraCo HR
 April Cuthbert - BD
 Jenny Davidson - Three
 Ally Fisk - Sunrise Senior Living
 Amber Garner - Homebase
 Rob Green - Tesco
 Simon Gush - DWP
 Sima Hariyani - Vodafone
 Ian Hodson - University of Lincoln
 Beverley Hoskin - Cabinet Office
 Cathryn Humphrey - Southern Water
 Andrew Ironside - DWS Group
 Vijay Lall - SDL plc
 Rosemary Lemon - Hays
 Melissa Lever - Linklaters
 Lucy Light - Heineken
 Sherrie Luxford - Paysafe Group
 Nigel Miller - Edelman
 Justin Morgan - Kantar Group
 Peter Newhouse - Unilever
 Tracey Newton - Yorkshire Building Society
 Patricia Nisbett - Financial Conduct Authority
 Debi O'Donovan - Reward & Employee Benefits Association
 Megan O'Shaughnessy - BT
 Marina Olvera - Adobe
 Lee O'Sullivan - HM Treasury
 Jamila Pericleous - McDonald's
 Adrian Porter - Virgin Media
 Beth Powell - National Grid
 Nicola Rabson - Linklaters
 Jo Rackham - Sky
 Aziz Rahman - Save the Children International
 Joanne Rees - M&S
 Tim Robertson - ITN
 Richard Stokes - Aggreko
 Caroline Stroud - Freshfields Bruckhaus Deringer
 Michelle Sutton - SUEZ
 Tanya Swinyard - Brakes Group
 Gary Thomas - Kier Group

James Whittaker - Kering
 Rachel Wilson - Yorkshire Building Society

25 HR Leaders, sponsored by

Lisa Atkinson - Merlin Entertainments
 Yevan Bellot-Subar - Diverse Dining
 Roberto Blanda - British American Tobacco
 Gary Brewer - William Grant & Sons
 Samantha Brunton - Christian Dior
 Charles Cotton - CIPD
 Beccy Davies - Estee Lauder
 Mathew Davies - Addison Lee
 Stefan Enholm - eBay
 Anna Hamlin - Time Out
 Mark Holton - GAME
 Samantha Johnson - JCB
 Rick Kershaw - Expedia
 Georgina Kilcoyne - CitySprint
 Abigail Lerman - Stella McCartney
 Bobbi Mair - The Walt Disney Company
 Koos Mennen - Imperial Brands
 James Morrissey - Ford Motor Company
 Lindsay Stacey - YOOX Net-A-Porter
 Elizabeth Strong - Kerry Group
 Caroline Thomas - B&Q
 Colette Tierney - CBRE
 Abi Weeks - Harrods
 Damian Whiteley - 2 Sisters Food Group
 Luke Wilkins - Gett

25 Employee Benefits Experts

Federica Accorsi - Michael Kors
 Pepe Badesha - Upgrade Pack
 Alan Camwell - Airbus
 Vikki Cresswell - Fortnum & Mason
 Suzanne Foody - Sunrise Senior Living
 Mukori Gatabaki - Sotheby's
 David Gibb - Nike
 Michelle Jones - The Walt Disney Company
 Marta Koziel - Sony Pictures Entertainment
 John Lionis - Chanel
 Gareth Little - Aviva
 Alexandra Maddison - Google
 Jasbir Mahey - River Island
 Lindsay Morrison - CommScope
 Elly Murphy - LV=
 Nicos Nicolaidis - Invesco
 Jacqui Parker - Belron® International
 Kavita Patel - Aon Employee Benefits

Craig Provett - Mitchells & Butlers
 Neil Robson - Northumbrian Water Group
 Mirka Slater - Facebook
 Gregg Smith - SIG
 Emma Spencer - Pret A Manger
 Hannah-May Tatton - Merlin Entertainments
 Sharon Tebb - Withersworldwide

25 Pension Professionals, sponsored by

Andy Agathangelou - Transparency Taskforce
 Ros Altmann - Former Pensions Minister
 David Astley - Reach
 Theresa Britton - NHS Business Services Authority
 Sean Brosnan - London Metropolitan University
 Kim Brown - The Pensions Regulator
 John Chilman - National Grid
 George Currie - Lifetime Savings at Pensions and Lifetime Savings Association
 Fiona Frobisher - The Pensions Regulator
 Nasser Gilani - PwC
 Jason Gowlett - Direct Line Group
 Kate Grant - Vodafone
 Jacqui Haskins - Barclays
 Patrick Heath-Lay - B&CE
 Kay Ingram - LEBC Group
 Paul Kirk - HM Treasury
 Morten Nilsson - BT Pension Scheme Management
 Nigel People - Lifetime Savings at Pensions and Lifetime Savings Association
 Dave Roberts - Virgin Media
 Steven Robson - Morrison Supermarkets
 Darren Ryder - The Pensions Regulator
 Duncan Singer - Aviva
 Louise Siwyer - The Pensions Regulator
 Ruston Smith - Tesco Pension Trustees
 Lee Sullivan - Santander UK

25 Employment Lawyers

Roger Bull - Burges Salmon
 Alan Chalmers - DLA Piper
 Gail Crawford - Latham & Watkins
 James Davies - Lewis Silkin
 Joanne Davies - Blake Morgan
 John Evason - Baker McKenzie
 Helen Farr - Fox Williams
 Steven Fraser - Anderson Anderson & Brown
 Peter Frost - Herebt Smith
 Rebecca Harding-Hill - Bryan Cave Leighton
 Monica Kurnatowska - Baker McKenzie

Michelle Lawlor-Perkins - Blake Morgan
Alex Lock - DAC Beachcroft
Mark Mansell - Allen & Overy
Lisa Mayhew - Bryan Cave Leighton
Constanze Moorhouse - Eversheds Sutherland
Sarah Peacock - Blake Morgan
Malcolm Pike - Addleshaw Goddard
Karen Seward - Allen & Overy
Nicholas Squire - Freshfields Bruckhaus Deringer
Kiki Stannard - Fitzgerald & Law
Tarun Tawakley - Deliveroo
Darren Tibble - DC Employment Solicitors
Audrey Williams - Simmons & Simmons
Alison Woods - CMS

50 Leaders within Knowledge and Professional Services

Simon Balaam - RSM
Susan Ball - RSM UK
Jonathan Berger - PwC
Mark Bingham - Second Sight
Alan Brooks - Sopra Steria
Harshna Cayley - Equiniti
Stu Clennell - Sopra Steria (SSCL)
Steve Collins - SWC Payroll Consulting
Justin Cottrell - FMP Global
Lisa Cowan - EQGlobal
Nick Day - JGA Recruitment
Andrew Dellow - Modulr
Chris Desson - KeyPay
Andrew Evans - Smart Pension
Neil Everatt - Selenity
Suzanne Gallagher - KeyPay
Mandy Gardiner - PW PAYROLL SOLUTIONS
Elaine Gibson - Dataplan Payroll
Tracy Gill - Whitley Stimpson
Lou Gray - PwC
Manish Grover - ADP
Phil Harrison - Total Marketing Support
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Tim Johnson - BDO
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Carsten Staehr - Cintra HR & Payroll Services
Henry Tapper - AgeWage

Sharon Tayfield - BDO
Karen Thomson - Armstrong Watson
Kate Upcraft - Kate Upcraft Consultancy
Kevin Waller - Your Payroll Team
Ian Walters - SD Worx
Chris Watt - PwC
Michele Whitehead - Adecco Group UK & Ireland
Andrew Woolnough - EQPaymaster

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Casey Beattie - CIS Security
Louisa Berger - John Lewis Partnership
John Berry - HMRC
Rona Betts - Aster Group UK
Shona Blackmore - Carnival UK
Karen Booker - Dimensions (UK)
Jayne Brook - Arcadia Group
Margaret Brown - SecuriGroup
Lesley Butler - Burberry
Michelle Cahill - Salvation Army
Vera Cannon - Brothers of Charity
Sue Childerstone - NHS Payroll Services
Chris Costa - Janus Henderson Investors
Jason Davenport - CIPP
Ian Davis - Direct Line Group
Wendy Drinkwater - ITV
Robert Evans - Ofgem
Jamie Flarry - Champneys
Paul Floyd - Sainsbury's
Lynn Fogerty - Carpetright
Wendy Fowler - University of Surrey
Lindsey Froud - NHS Payroll Services
Richard George - The Payroll Centre
Jon Gorman - University of Portsmouth
Vickie Graham - CIPP
Norman Green - Payroll Consultant
Anna Greene - Wasabi, Kim Korean Restaurants & Soboro
Nevila Gruda - Daniel Galvin
Ken Gurr - The Payroll Centre
Gregg Hall - The Bulgari Hotel & Residences
Stuart Hall - CIPP
Eira Hammond - Eira Consulting
Helen Hargreaves - CIPP
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Diane Hartney - Fairhome Care
Adele Hauxwell - TridentTrust
Ros Hendern - CIPP
Marianne Hendron - Dunbia Group
Maria Hennessey - McDonalds UK
Kate Hines - Newcastle United Football Club
Neil Hollister - The Payroll Centre
Sean Hoskin - Dyson
Rebecca James - Bibby Line
Alastair Kendrick - Employment tax specialist
Claire Kennedy - University of Lincoln

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Margaret Long - Manchester United Football Club
Jason Mallory - Skanska
Julie Manington - Richmond and Wandsworth Councils
Samantha Mann - CIPP
Sandra McGlade - Penguin Random House
Sarah McKellar - Standard Chartered Bank
Robert Metcalf - New College Durham
Rebecca Mullins - Deloitte
Michelle Payne - Norton Way Motors
Linda Pullan - Payroll Trainer
Ken Pullar - CIPP
Simon Rawlinson - Currencies Direct
Michelle Sampson - Laing O'Rourke
Sue Smith - CIPP
Claire Snooks - Santander UK
John Stonestreet - Essex Police & Kent Police
Lee Sullivan - Home Bargains
Shaun Tetley - Portsmouth City Council
Steve Thomas - Thomas Cook
Chris Tidy - Hiscox
Jennifer Viglione - Five Guys
Clare Warrington - Gist
Heidi Watson - Benefit Cosmetics UK & Ireland
Mike Webster - Coca-Cola European Partners
Andrew Weeks - Bourne Leisure
Darren Weston - Cambian Group
Vicky White - Cineworld Cinemas
Jim Woodlingfield - NCG

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Glenn Jones - AXA XL
Richie Jones - Deliveroo
Joanna Kwapisz - Sony DADC Europe
Anna Lumumba - The Institute of Cancer Research
Carol Mason - Credit Suisse
Maria McGoldrick - Easyjet
Sarah McKellar - Standard Chartered Bank
Sean Moody - Coca-Cola European Partners
Aaron Mudd - Lush
Anthony Quach - Uber
Ricardo - Rehkopf - Groupon
Craig Richards Maersk - Global Payroll Services
David Robertson - Morgan Stanley
Shirley - Smart Diageo
Tracy Summers - Pizza Hut Restaurants
Colin Turner - Transport For London



“It’s not just about personalising different approaches to generations, but also personalities”

"REWARD PEOPLE LOVE FIREFIGHTING"

Tim Robertson of ITN on reward professionals' characteristics, bias in salary setting and the need for portable benefits

Tim Robertson: THE CV



Head of reward

ITN

October 2018 - now

Corporate director of executive compensation, former head of reward

Novartis

June 2013 - October 2018

Senior reward manager

Santander

September 2010 - June 2013

If companies want to evolve and attract new talent, they need to take on board the demands of younger generations entering the workplace. But that doesn't mean changing the entire reward strategy to suit one group's needs, because a one size fits all approach just will not work. It means thinking more strategically about an approach to suit the entire workforce. A reward strategy needs to be personalised, not only for different age groups, but also for different personalities.

Tim Robertson, head of reward at ITN, believes you need one culture and one set of values that weave everybody together in the organisation, regardless of how diverse the business units are.

Thinking about the past, present and future of reward, Amber-Ainsley Pritchard sat down with Robertson, at the Reward Strategy offices, to talk about the need to be both a generalist and specialist, how to effectively recognise employees and the use of algorithms to set base pay.

ALP: Tell me about your role at ITN.

TR: "As head of reward, I report into the HR director who reports into the chief executive. There's three in the reward team and we are responsible for everything related to reward for the whole of ITN, which is about 750 permanent staff and a number of freelancers.

"We are a privately-owned firm, so we have a remuneration committee and a board of directors who are looking at executive pay of the organisation - of which I would be involved in designing the incentive programmes and any other compensation and benefits.

"At present, we don't have a head of diversity and inclusion, learning and development or training. So, it means that the HR generalists and myself kind of broaden our roles out into those areas.

"We also work closely with payroll which I think is crucial. Regardless of where payroll sit, HR and reward should be involving them in every conversation. You can't have reward being creative and

“There's a disproportionate number of introverts in reward”

coming up with a policy then going to payroll and they say 'no chance - you're never gonna get this done' or 'it breaks regulation' or 'it can't be done through the payroll system'."

ALP: What do you most enjoy about your work?

TR: "Personally, I really like the variation. I love the broad reward role, where you are doing all sorts of different things everyday. Everyday you come in and don't know what to expect.

"I think when someone is doing a more niche role, they love knowing exactly what they are coming in to do every day, but I would love to come in and there's a bit of a crisis that you need to resolve. Reward people love firefighting."

ALP: Tell me a little bit about how you got into the reward profession.

TR: "I just fell into it really. I did some journalism work when I was at college and university, then had my first ever job in marketing - there was a lot of cold calling and that wasn't for me. Then a compensation and benefits role came up at travel firm Going Places - I had no idea that would be the start of my HR/reward career."

ALP: You've been working in reward since 1998 - how have you seen the scope of the role change?

TR: "I think the nature of the role has broadened out quite a bit. Reward jobs are not as technical anymore, but much more

about engagement and communication.

"I think you need to have a much broader skill set than what was required when I started out. The web is much more technical and is more of a requirement for people who had the skills to be able to design incentive programs for salespeople, which is quite a technical thing to do. You still need to be able to do that, but these days there is a big focus on transparency, there's a lot of talk of pay equality, meaning you need to be able to explain to people what you're doing. In the past, you would hand your work over to a communications person who would simplify it all and stick it on the intranet. These days, you have to be able to do both aspects.

"These days you can't just narrowly define yourself as a reward person who does back end or back office tasks. You have to be joined up when you're talking about things like the gender pay gap, CEO pay and other such contentious topics. It is a joined up exercise, it's no good me just coming to the table and saying 'I've got some aspects around pay that could help mitigate our gender pay gap', because there's a knock on impact onto maternity policies and other diversity and inclusion aspects.

"These days you need to be both a generalist and a specialist, you need to be good at all the different aspects, it's no good saying 'well I've never done incentive plan design or any of those kind of things'. But on the other hand, if you can't explain yourself easily and sit in front of the business and produce communications materials, then I think you're going to forever be in a back office type of role."

ALP: Studies of what graduates want from a workplace are now being shared and are said to be helping reward managers plan strategies ahead of time, for the first time. Do you agree with this?

TR: "Yes, I think the more data you can have to help drive strategies the better. I think often we've lacked data in reward, we struggle to think of ways to gather data



and information about what we do.

"Anytime you get data and evidence about how to shape the workplace and culture it is helpful. The only caveat I would say is: you can't shape the workforce and the work environment around one or two generations, because one size does not fit all."

ALP: How do you create a reward strategy for a multigenerational workforce?

TR: "You need to have a really strategic think about what should be consistent across your organisation and what can then be different and segmented. You want one culture and a set of values that weave everybody together in your organisation, regardless of how diverse your business units are. Obviously pay and benefits may differ across the populations, but it's important to remember that it's not just about personalising different approaches to different generations, but also different personalities."

ALP: Younger generations entering the workplace are more demanding than ever before, do you think this is positive? How will you manage their demands?

TR: "I think it is what it is. Companies really have to deal with that. If that's who they want to attract, they have to be flexible. Maybe it's easier for smaller firms - bigger firms have typically had more of a one-way process, asking an interviewee what they can offer the business (not the other way around), so I think it will take a long time before change happens."

"But I do think it's a good thing. I think reward will have to adapt to the wants of younger generations - because companies offer long-term benefits, such as gym memberships and pensions, which aren't going to be attractive to the younger generations who have portfolio careers. Therefore, it forces us to think in different ways about how we can create more mobile benefits that people can take

with them when they hop from job to job."

ALP: What do you think is the future of reward?

TR: "There is so much scrutiny on pay gaps now and you've started to see, over the last few years, companies just letting algorithms set base salaries. I think we will see more of this in the future."

"You plug in some data around how much experience an individual has, where have they worked before, their previous package and whatever else, and the algorithms says: here's what the external data says and this is, roughly, what you should be paying them."

"Another part of this is taking managers out of the equation. Because any manager is going to have some bias in their decision-making and often that's driven by the employee's current compensation package."

"Using an algorithm and artificial intelligence to set base salaries, full stop, may sound too extreme, but using the algorithms to at least share data and analytics with the manager should help them to understand what they should pay, rather than letting it be a face-to-face negotiation. Because all that's doing is leading and highlighting massive gaps in pay - because of that bias."

ALP: I have a question from a fellow Reward 300 member, they wanted to know what your favourite low-cost/no-cost benefit is for building engagement?

TR: "Recognition plans. You can run them yourself and do them for zero cost. They are quite hard to get going and get embedded in the organisation, but once you do it the impact they have can

be huge."

"The best use case I've seen is around the values and behaviours of an organisation, where you reward someone for the outcome of a piece of work - whether it's successful or not. As long as they are embodying the values of the organisation, you can highlight that and reward them, then they are more likely to repeat that action which embeds the company values into the organisation."

"It's something we do at ITN, but we don't use it well enough at the moment."

ALP: What does it mean to you to be a Reward 300 member?

TR: "It's great. I think it's important to have a space where professionals can discuss and debate reward and speak about its future. Particularly for those individuals who are further down the line in their careers, as they can share the mistakes they've made and others can learn from them."

"I also think there's a disproportionate number of introverts in the reward space, so you don't see as much of this communication - but having a vehicle to do so is really great to have." ■

Amber-Ainsley Pritchard, editor, Reward Strategy

As a Reward 300 member, Robertson is a regular contributor to the magazine and will be speaking at the Autumn Update Conference, see p34 .

Don't forget, if you're a member of the Reward 300 2019, accept your invite to the LinkedIn Private Members Group and start debating, sharing and discussing with your peers. Find the group easily here: [linkedin.com/groups/13663965/](https://www.linkedin.com/groups/13663965/)

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“THE REMIT OF PAYROLL NEEDS TO EXPAND AGAIN”

Karen Thomson explains the quirks of payroll benefits in kind at a bureau

For those of you who still report benefits on a P11D - I hope you met the deadline, but when payroll is a different matter, other than reporting and paying the Class 1A of course.

I have personally always dealt with benefits in kind, but many payroll professionals haven't and it has fallen to finance or another department.

So what happens from an agent perspective, when a client wants to payroll or you take on a client who is already payroll?

Payrolling to produce P11Ds isn't viewed as the "norm", as more work is involved - all the benefits need setting up and you need to keep up-to-date with any changes the clients make e.g. replacing cars etc.

The problem is, there are clients who think it's easy and will just start payroll benefits in kind without even asking if their accountant can do this (which Armstrong Watson can).

It's often the case that clients also don't understand the OpRA arrangements for which we need to ascertain whether the legislation applies.

Of the clients we take on, especially at mid-tax year, we need all the year-to-date figures for the benefits.

Learning curve

Whilst we always intended to offer payroll of benefits, we ended up in the deep end when all of a sudden I needed to train the team on the general rules of benefits in kind, but also on what the system did. It's been a real learning curve for my team.

Everyone now understands benefits in kind rules and the system in place, but that's not everything. Previously, tax advisors would have done the P11D and offered tax advice on what is a benefit and how it needs to be treated, but now this is within the scope of the professional at the payroll service. It isn't that straightforward.

The complicated bit

Payroll professionals easily understand how to treat a benefit, but when asked if something is a benefit - that's where the grey area kicks in. This is where Armstrong Watson's payroll team is fortunate, as we have a great tax team to ask for advice, but not everyone has this facility.

What does need to be recognised is that the remit of payroll professionals needs to expand again.

Is it time for tax training and/or qualifications for payroll teams, to enable them to give advice on benefits in kind? ■

*Karen Thomson, partner,
Armstrong Watson*



Karen Thomson, Armstrong Watson

QUESTIONS

Below are just a couple of questions that have come into the bureau. Would you be confident in answering them and ensuring you apply the correct tax treatment?

1. The employee has a company van and takes this home every night, uses it for personal use and then drives it back to work the next day, where other employees then use the van throughout the day.
2. The second employee is office based and also has a company van and takes it home every night, however doesn't use it for personal use.

My question is: Why do they take it home at night, as if it is purely for home to work travel - because this would most likely be viewed as commuting and be subject to a tax charge?

What are your thoughts? I will give you the answers next time.

“The grey area kicks in when asked if something is a benefit”

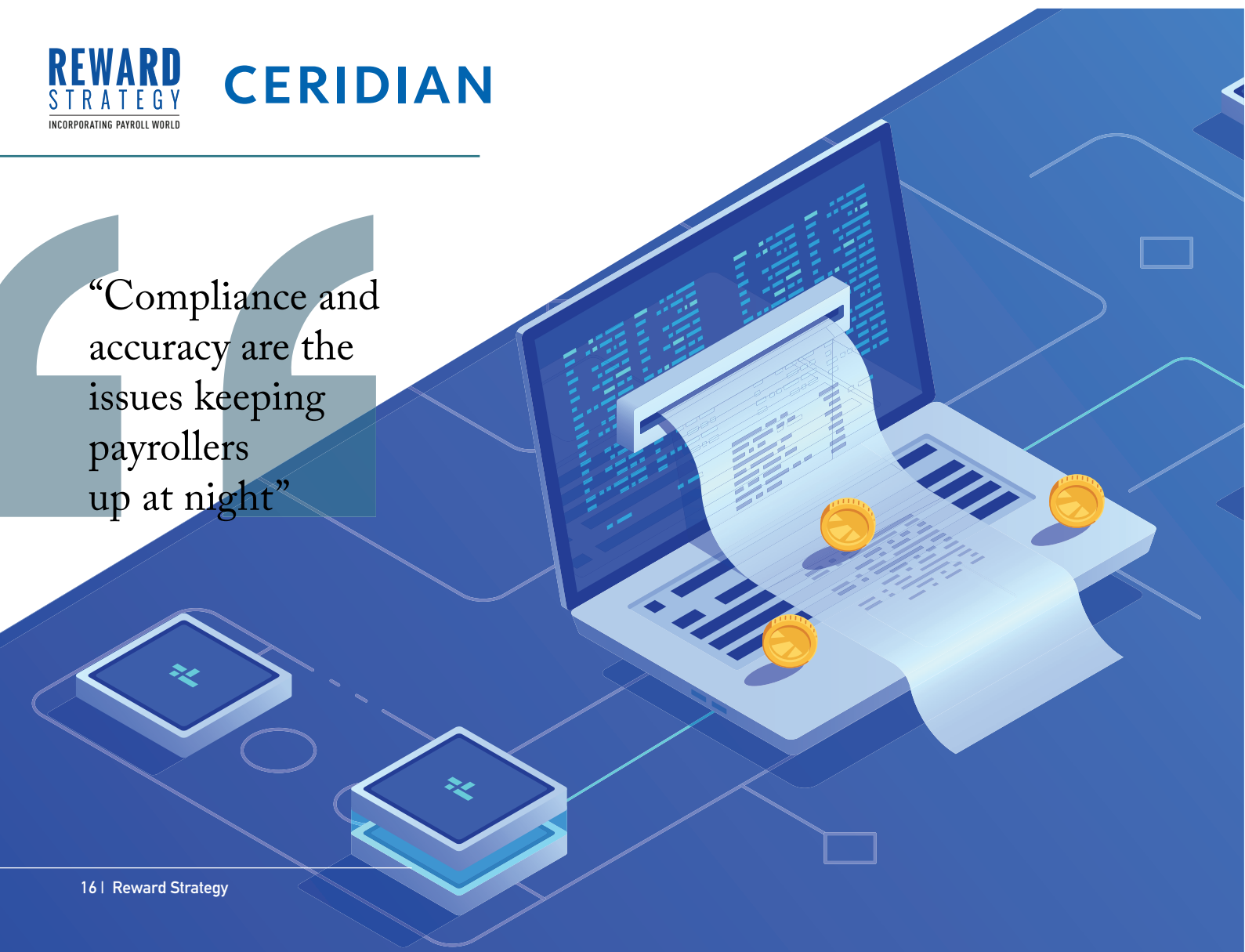
THE FUTURE OF PAYROLL

In the coming years, payroll could more heavily rely on outsourcing and the use of HCM/ERP/point solutions. Reward Strategy and Ceridian reveal the findings of its recent survey

**REWARD
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INCORPORATING PAYROLL WORLD

CERIDIAN

“Compliance and accuracy are the issues keeping payrollers up at night”



Nearly three quarters (72 percent) of payroll professionals are actively planning to use new technology solutions to help manage payroll - with artificial intelligence and cloud/software as a service projects topping the list.

The findings, presented at the Payroll & Reward Conference, in London on June 6, were based on research carried out by *Reward Strategy* in partnership with Ceridian. The research, "*UK Payroll Technology Trends*", aimed to find out payrollers' challenges and how they are using technology to support them. It was carried out during April and May this year and had a total of 176 responses from UK-based payroll professionals.

Evolution of technology

From a technology perspective, we are in the fourth generation of the evolution of payroll technology applications - which has accelerated since the first generation kicked off in the 1980s with bespoke solutions that replicated well-established manual processes. The second generation matured in the 1990s when off-the-shelf payroll technologies started to evolve until the noughties, when server-based third generation integrated ERP systems were introduced.

The credit crunch and subsequent financial crisis of 2007/2008, coupled with innovations in cloud technologies, drove widespread transformation projects as organisations endeavoured to extract greater value through their businesses.

The rapid rate of change within the payroll technology environment makes it an interesting topic to explore further, and while there are studies published around technology within payroll from a global perspective, we wanted a specific insight into the UK environment.

Challenges

The single biggest challenge that payroll experts face is compliance, with one third

of respondents highlighting this as theirs. The second biggest challenge highlighted was accuracy, with 17 percent selecting this option. Neither of which come as surprise - compliance and accuracy are the issues that often keep payrollers up at night. However, the next set of responses to this question indicated that although 32 percent identified compliance as their biggest challenge, four out of 10 respondents said they had challenges with either technology transformation, reporting, data integration or self-service. Therefore, when grouped together, technology-related issues represented the biggest proportion of responses.

Applications

Payroll, by definition, is a very process driven function which uses repeatable activities on an ongoing basis - it's exactly that environment that technology can help to streamline and make more efficient. With this in mind, the next set of questions explored applications of technology within specific points of the payroll process, including onboarding, time and attendance, benefits administration, self-service, payroll administration and payments, year-end reporting and termination.

We asked respondents to tell us how they implemented technology within each process: outsourcing, offline/paper-based, in-house or a point, ERP or HCM solution.

We found that staff onboarding was the process that was most likely to be carried out manually, with 31 percent of respondents saying they managed this using offline or paper-based systems. Despite this, in-house technologies were still used by most respondents, with 34 percent indicating they used this method.

Allowing staff to access, manage and update their benefits can have a positive impact on employee experience. Our research identified that 21 percent of respondents outsource the administration

of employee benefits programmes.

Time and attendance can often add lots of complexity to payroll operations, as unplanned scheduling changes, shift premiums and working-time directives, add greater risk of inaccurate or late payment of employees. Our findings suggest that this process is the one most likely to use an in-house solution, with 38 percent of the payroll professionals selecting this response.

Is in-house moving out?

Perhaps the most interesting trend in payroll technology, is that for the fundamental parts of the process, payslip administration, payments, year-end and termination, 60 percent of respondents who indicated they were using in-house technology solutions stated they are likely to review the technology in the next year. What's interesting about this finding is that although respondents were generally satisfied with their in-house technology, there was still an appetite to review this. Why is this the case? Is there a compliance aspect from regulatory bodies? Or could it be to do with the ongoing cost to maintain and future-proof in-house systems?

Conclusions

While remaining compliant and maintaining accuracy remain the biggest challenges for payroll professionals, the rapid rate of increasing capability and flexibility of solutions means that technology is a driver for change.

In terms of the specific deployments of technologies, it's evident that bespoke approaches are being reviewed by a large number of payroll operations - which might see an increase in the application of HCM/ERP/point solutions in the coming years, or a move towards outsourcing.

The full report "*UK Payroll Technology Trends*" is available and ready to download on Ceridian's website. ■
Reward Strategy and Ceridian

Gender
Ethnicity
LGBTQ
Disability
Mental health
Wellbeing
Socio-economic



*Amber-Ainsley Pritchard,
Reward Strategy*

Too many pay gaps?

Amber-Ainsley Pritchard explains how payroll, HR and reward managers could become overburdened with reporting requirements



Since the gender pay gap reporting legislation was introduced, there has been talk of introducing further reporting requirements on issues such as ethnicity, disability, mental health, wellbeing, LGBTQ, socio-economic status - the list goes on.

Gender pay gap reporting was established to bring transparency and attention to important gender equality issues that need addressing, for example inequality in career progression opportunities and occupational segregation.

From 2017, any organisation that has 250 or more employees has been required to publish and report specific figures about their gender pay gap - the difference between the average earnings of men and women.

Publishing gender pay gap data provides an ideal opportunity for organisations to examine the impact of their people management and development practices on equality of opportunity at work. Therefore, it's no surprise there's been discussions of introducing further pay gap reporting requirements, to drive equality across the board.

The Trades Union Congress (TUC) has been calling for employers to publish their ethnicity and disability pay gaps since 2018. And in October 2018, the government published a consultation asking how new mandatory reporting requirements for the ethnicity pay gap should work - of which it is still reviewing the responses to.

INvolve, an organisation aimed at helping companies harness LGBT+, ethnic minority and female talent, has also urged companies to investigate the mentioned pay gaps.

Calls for mental health, wellbeing and socio-economic pay gaps may not be hitting the mainstream headlines yet, but the issues have been raised by the reward profession itself.

However, there are also concerns about introducing more reporting requirements across the profession responsible for this reporting - payroll, HR and reward -

“These are very real types of discrimination and often come with a lack of pay parity”

so, *Reward Strategy* asked them: could introducing more pay gaps to report go too far?

The impact of reporting

When thinking about the possibility of reporting more gaps in the future, *Reward Strategy* asked professionals if they think the pay gap legislation, to date, has been positive or negative.

Lee Sullivan, payroll administrator at TJ Morris (all comments are his own), said it's too early to tell whether or not there's been any lasting impact, positive or negative, but it would be difficult to argue that it's anything but a good thing.

However, he did point out that pay gap reporting has its shortcomings. He said: "Published figures can be easily misinterpreted; employers may seek to 'cheat' the system and it's another layer of complexity for an already increasingly complex industry."

Elizabeth Strong, HR operations manager - UK, of Kerry Group agreed that this is a "good thing", but the level to which it will result in positive change is a different matter.

She said: "This is completely dependent on a company's willingness and ability to implement any changes they deem necessary, as a result of their findings."

"I'm a firm believer that the best way to implement change is one step at a time and if bringing visibility is the first step in a longer process of overall change, then we're moving in the right direction."

Ian Hodson, head of reward at

University of Lincoln, said: "I believe the monitoring of pay gaps has a real place, but it has to be contextualised. I sometimes have concerns in the sensationalising of headline figures, when underneath there may be some real success stories in addressing headcount in balances across aspects, such as gender, but initially the headline numbers may have to take a perceived worsening - as the action plans are very much a long-term vision."

"The internal measurements that add an extra dynamic, and cross sectionalise the data by business area, to identify trends, are where you can truly understand the business and plan actions accordingly."

Fix the data or the problem?

Speaking to professionals in this field, a worry surfaced that by introducing further gaps employers may focus on making their data look good, rather than making a real change.

Tim Robertson, head of reward at ITN, said: "I definitely think there's a risk that reporting becomes tactical. I've been at a couple of firms where you get men standing up saying: 'I bet a woman's going to get that top job' (to address the gender pay gap) and that's when you know you've gone a bit too far or become a bit too tactical."

Sullivan added: "It's unarguably a very real prospect that organisations may purposely hire certain candidates to even out a specific pay disparity."

"In a world where employees, customers and investors, are increasingly looking for fair employers, a pay gap is seen as just plain bad for business."

"The success of the legislation centres on employers following the spirit of the law, not just the letter. More importantly, it relies on the government understanding and promoting the idea that there isn't a quick fix. Accepting that any changes will be gradual should discourage attempts to 'fudge the figures'."

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

“I definitely think there's a risk that reporting becomes tactical”

(CIPD), also said employers could focus on making their data look good, but it would only help in the short-term.

On the other hand, based on what they'd experienced so far with gender pay gap reporting, Strong, Hodson and Joanne Rees, head of reward at M&S, didn't think organisations would recruit certain individuals to improve their gaps instead of hiring the right people.

How far is too far?

So, could introducing more pay gaps to report go too far?

Sullivan seems adamant reporting gaps could never go too far. He said: "Not at all. Of course, these sorts of changes will always result in increased workloads – not least for HR and payroll departments. But these are all very real types of discrimination and, often, this comes with a lack of pay parity.

"The issue is that without recording and reporting these gaps, there's no way of quantifying them. If we can't quantify them, we can't resolve them. If we can't resolve them, the most marginalised employees will continue to suffer."

However, Rees thinks reporting multiple pay gaps could "definitely go too far". She said there are problems with more requirements to report - including the lack of standardisation. She said if there are going to be reporting requirements, the categorisation of data, the definitions of pay gap terms and associated categories, need to be on a standardised basis.

Jim Woodlingfield, people systems and reward manager at NCG, agreed with Rees. He added: "I think where it could go too far would be when trying to extrapolate patterns that are not there or manipulate the data excessively which would add more costs for businesses."

Strong added that "reporting for the

sake of it, without a clear purpose", will not result in any tangible, positive change for any of the parties involved.

She said: "It could in fact have the opposite effect and make some minority groups simply feel more marginalised if the results show they are underrepresented in the workplace."

The future

When asked what types of pay gap reporting should become mandatory - other than gender - ethnicity and disability were top of the list.

Sullivan said there's an argument that employers should be recording a much wider range of pay gaps - LGBTQ should definitely be reported and others to look at include social-economic and wellbeing.

He said: "Inequity is being looked at more and more with intersectionality - the idea that different aspects of discrimination overlap. It's an area that can get 'figure heavy', but the gender pay gap just isn't nuanced enough to give us the full picture - when it's claimed black men may actually be earning less than white women, I think it's important we have as much data available as possible."

Strong said a socio-economic pay gap would be extremely interesting, but she struggles to see how the data capture would be feasible.

Rees doesn't think any more pay gaps should become mandatory, but there

should be guides and advised reporting.

She said: "The reporting of these statistics is a small industry. Especially for organisations that don't record these elements at recruitment. The time spent on cleansing, calculating and reporting data - and managing the PR around it - would be much better spent doing things like unconscious bias training, addressing systemic issues in organisations or just simply raising awareness."

Cotton agreed a more holistic approach to pay gap reporting would be beneficial.

He said: "A more joined-up approach, whereby an employer reports on how it invests in its people, such as in terms of recruitment and selection, reward and recognition, and the impact that this investment has on people and business outcomes. However, for this reporting to be successful, an employer must be able to create an environment where employees want to disclose such personal information such as their sexuality or their disability."

Strong said: "Ultimately, it's about looking to achieve a workforce that's diverse (to provide multiple perspectives and ideas), has equal opportunities for all and is a good representation of the surrounding community."

Overall, comments from the payroll, HR and reward professions found that pay gap reporting can only be a "good thing", because it drives companies to converse about diversity and equality. Yet, the professions did say introducing too many reporting requirements could see companies reporting data "for the sake of it", when they could be focussing on "making a real change" to the culture inside a business.

Cotton said: "Whichever pay gaps are introduced, the reporting process needs to be simple and straightforward, with an emphasis on the importance of action towards ensuring everyone has equality of opportunity at work." ■

Amber-Ainsley Pritchard, editor, Reward Strategy

THE WAITING GAME

The government will be consulting on reforming Statutory Sick Pay soon, but it's been a while, so Helen Hargreaves looks at the journey to date

At the Recruitment and Employment Confederation, Amber Rudd, secretary of state for work and pensions, said that government will shortly be consulting on reforming Statutory Sick Pay (SSP).

In the government's response to the green paper *"Improving Lives - The Future of Work, Health and Disability"* (November 2017), it said there would be a consultation as it wants to see a reformed SSP system which supports more flexible working; to help support phased returns to work, managing a long-term health condition, or recovering from illness.

As the Taylor review on modern working practices (July 2017) concluded, the current framework works reasonably well, but needs to adapt to reflect emerging business models, with greater clarity for individuals and employers. One of the recommendations is that government should reform SSP so that it is explicitly a basic employment right, comparable to the National Minimum Wage, for which all workers are eligible regardless of income from day one. Furthermore, it should be payable by the employer and be accrued on length of service - similar to paid holiday.

The TUC voiced concerns about proposals for the simplification of SSP, estimating that nearly 500,000 workers on zero hours contracts, or in insecure temporary work, miss out on the right to SSP because their pay is too low. The TUC doesn't think it's right that you can be considered too low paid to fall ill.

What did you say?

In advance of the consultation, thought to be published in late 2018, the CIPP ran a survey in April 2018 to gather thoughts and opinions. Our findings are still very much relevant as we wait for the 'imminent' publication of said consultation.

There was a range of numbers on the payroll from respondents, but the majority were between 250 and 9,999. The majority of respondents (89 percent)

offer both SSP and Occupational Sick Pay (OSP) schemes, with differing options depending on their terms and conditions.

The majority (87 percent) also offer an initial return to work on altered hours (phased return) after a period of sickness - three quarters (77 percent) of which said each case is looked at on an individual basis and that they have no set timescale for employees to be off before the phased return is offered.

With regards to how employers pay their staff on a return to work, after a period of sickness, on altered hours, 49 percent of respondents only pay for the hours worked - whereas it was almost evenly split between employers who pay full (regardless of hours worked) and others who pay for hours worked, topped up with OSP or SSP.

We asked what respondents thought they would need to do, or to adapt their payroll systems and processes, to accommodate employees returning to work on altered hours and paid a mixture of OSP and SSP. Responses were that software would need to be adapted/updated and if the change was to legislation, then staff would need to be educated and more manual intervention would be required. Some respondents said they felt little or no change would be required. We asked how long it would take to implement these changes and answers varied as it would depend on who and what it affects. If legislation was changed, this would most certainly require a decent lead time for software developers.

We also asked what the overall cost of sickness management change would be if flexible returns were offered. The majority stated that they offer this service in some form already, others believe it will not affect the cost and only a minority felt it would be expensive.

From additional comments to the survey, it may be that the way forward is a total rethink of the SSP system and that the waiting days should be abolished. ■

Helen Hargreaves, associate director, policy and membership, CIPP

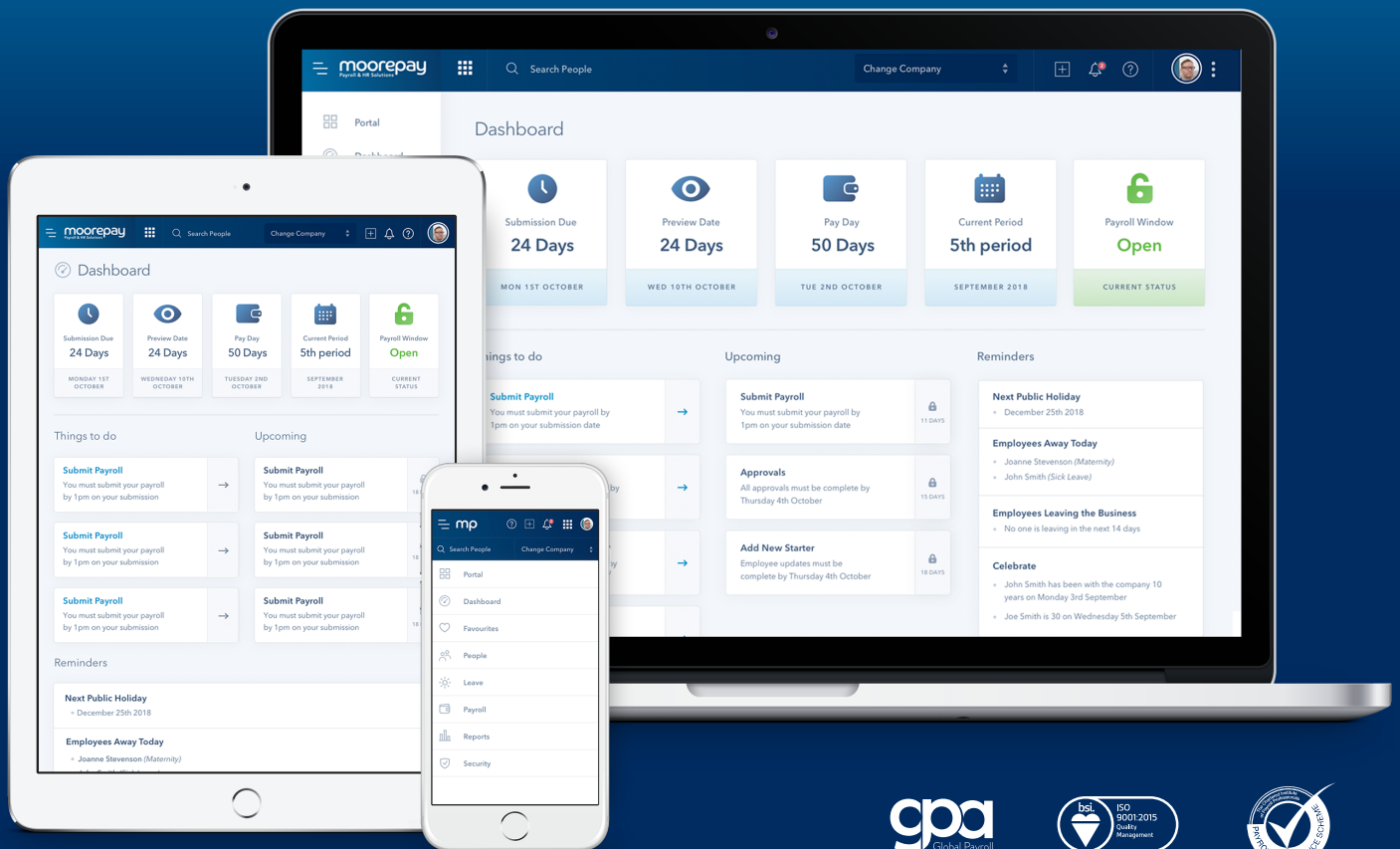


Helen Hargreaves, CIPP

“The TUC doesn't think it's right you can be considered too low paid to fall ill”

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CHECK HOLIDAY OR FACE ACTION

Michelle Hobson explains why businesses are facing increasing scrutiny on holiday pay and allocation

As summer holiday season rapidly approaches and the office becomes deserted, employers need to use this time to check their employees are getting the holiday they are owed.

The Department for Business, Energy and Industrial Strategy (BEIS) recently released new guidance on calculating holiday pay and entitlement for workers without fixed hours or pay. The key taking from this is that “all workers, apart from those who are self-employed, are entitled to 5.6 weeks’ paid holiday a year.”

Holiday entitlement and pay is part of European legislation, put in place to promote workers’ health - enabling them to take time off to rest and recuperate without the concern of losing days of paid work. With the UK working some of the longest hours in Europe, on average 42.5 hours a week, the case for holiday is particularly important here.

The rewards extend to the employer as much as the employee. A happy workforce is a productive workforce and ensuring that staff receive the benefits they are legally entitled to is not only important for employee morale and health, but also for employers who benefit from staff returning to work rejuvenated and focused.

Employers are increasingly being challenged on this issue. Recently, the Court of Appeal ruled in favour of 13 East Anglia Ambulance Trust workers who argued their holiday pay should better reflect the hours they actually work, including overtime. This example is not isolated. It was also reported, recently, that a freelance journalist won £8,000 in a tribunal against The Scotsman Publications which had failed to pay him for holiday over several years. The judge ruled that the journalist met the definition of a worker rather than an independent contractor and was therefore entitled to holiday pay.

A key consideration in all cases is the definition of a “worker”, which according to the government covers a person that

has a contract or other arrangement to do work or services personally for a reward. This therefore includes full-time, part-time, casual or agency workers.

Similarly, when calculating holiday entitlement, employers need to consider whether employees are frequently required to work overtime and if this is being calculated in their holiday pay.

The wide-reaching definition of the term “worker” means that many businesses are unknowingly accountable for holiday pay. With the soaring number of tribunal cases leading to a backlog that has grown by 77 percent, employers need to ensure they are not leaving themselves open to a lawsuit or being forced to pay large lump sums after a miscalculation.

Companies that are not allocating holiday pay must ensure they have strong grounds for not doing so or they could face a big pay out at tribunal.

Calculations

Calculating holiday seems simple, but according to research by TUC last year, one in 12 UK workers are not getting their legal holiday entitlement. Following the recent BEIS guidance, the government is pushing for greater awareness amongst employers on the correct way to calculate holiday entitlement and pay.

This remit often falls to HR and payroll executives, therefore they need to be armed with the knowledge to calculate this correctly.

- **For those in full-time employment:**
28 days (including bank holidays) / 12 months = 2.33 days of holiday entitled per month.
- **For those in part-time employment:**
28 days (including bank holidays) / 5 days x number of days worked.

This becomes slightly more complex if an employee joins or leaves midway through the year, but Moorepay has developed a short guide on this - available in the resources section of our website - moorepay.co.uk/resources ■

Michelle Hobson, HR services and technology director, Moorepay



Michelle Hobson, Moorepay

“Employers benefit from staff returning to work rejuvenated and focused”

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HOW FLEXIBLE ARE YOU GOING TO BE?

Rigid workplaces could lose out on £12bn each year, so why aren't more offices embracing flexible working? Richard George reports



Richard George, *The Payroll Centre*

“In France, employees have been given the legal right to ignore work emails outside of working hours”



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INFORM • EDUCATE • SUPPORT

In the UK, the way we work is continually changing. Roles are now less likely to be full-time and permanent. The self-employed workforce is steadily growing year-on-year and the gig economy, which is becoming a larger part of our everyday lives, continues to grow exponentially.

As we edge nearer to leaving the European Union, many questions remain unanswered over how the country will continue to compete on the global stage. With Brexit uncertainty continuing to dominate the business agenda, it's become ever more apparent that whatever happens, it will shape the course of the UK's future.

With many of the country's key industries heavily relying on skilled international workers to fill vacancies, employers are becoming increasingly concerned about restricted access to talent, along with the possible increase in wage demands. When considered against the wider sense of economic uncertainty, and the UK's lagging productivity, it's easy to see why business confidence in Britain is currently so low. This means that employers need to find more creative ways of attracting, retaining and motivating workers to ensure their businesses are ready for the future and can manage a more content workforce. A key to this, therefore, is flexibility.

As mentioned, work is changing and so is the method and ways we manage our roles.

A recent survey concluded that 35 percent of employees continue to answer work emails and conduct work tasks, on their personal mobile phones, outside of work hours. The survey also found that 25 percent do the same thing during their lunch break and more than 23 percent work on their technology on their commute.

As such, to be fit for the future, do we need to consider employing people to manage tasks rather than for a certain number of hours a week? Or is that going

too far?

As an aside, we also need to consider the data protection issues that this type of working can create for an organisation.

In France, as an example, this area has been reviewed through employees being given the legal right to ignore work emails outside of working hours - with companies of more than 50 workers providing a charter of good conduct, setting out times when staff are not supposed to answer emails. This is a radical approach to working time, but is it right?

We need to change

By giving employees the flexibility to create their desired work-life balance and choose the working schedule that's right for them, employers will find themselves with employees who enjoy their job, are more motivated and have a better home life during what could be turbulent times ahead.

A Quinyx study reviewed organisations' position and view towards flexible working and found 73 percent of the country's workers found there were still barriers when it comes to flexibility in their current workplace.

A further 15 percent of workers said that a lack of flexibility makes them feel isolated from friends and family, while one in 10 said it was having a negative impact on their health and wellbeing.

The research also showed flexibility is one of the key solutions to solving Britain's productivity crisis, with nearly a fifth of respondents confirming that they would be more productive at work if given more flexible working opportunities.

So, if flexible working can make the UK's workforce happier and more productive, why hasn't it been higher on the country's agenda?

The view of the survey was that employers see flexible working in conjunction with spiralling costs and scheduling nightmares, and as such a trade-off between flexibility and

financial performance.

Research from the survey found that if calls for greater flexibility in the workplace continue to go ignored, British businesses could miss out on £12bn a year by 2023. Due to this, organisations need a change in mindset to recognise that flexibility is no longer a 'nice-to-have' thing for UK employers, but a vital differentiator in a rapidly changing and challenging labour market.

According to the "Global Workplace" survey by IWG, a workspaces services provider, UK businesses without a flexible working policy risk losing out on top talent. The research found 80 percent of workers in the UK would choose a job which offered flexible working over a job that didn't.

The research also revealed that almost a third (28 percent) of British workers value being able to choose their work location over an increase in holiday allowance. Considering these findings, it's unsurprising that 73 percent, across the country, believe that flexible working has become the new "norm" and as a result, in the past 10 years, 84 percent of businesses have introduced a flexible workspace policy, or are planning to adopt one. The findings signal that, when it comes to dictating what an average working day entails, there has been a power shift towards the employee. But this is not a done deal as businesses still struggle with the change, usually through the organisational culture in place - especially when there has been a historically inflexible working approach to its staffing. However, this can no longer be an excuse.

Companies need a happy, content, forward-thinking workforce who have the ability to work more flexibly to ensure they are agile and continue to attract and retain the best talent in the future, as flexible working will be the new normal. ■

Richard George, director of education, The Payroll Centre

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BREAK THE TABOO

The menopause affects women in every workplace across the country, yet all too often it hardly gets talked about. Charles Cotton explains why this needs to change

The CIPD is leading the effort to break the taboo that is the menopause among employers and get them to treat it like any other health condition.

A number of reasons stand out for doing this. Firstly, the symptoms can be disruptive and it's only right that women receive support. Hot flushes, sleep disturbances and night sweats are some of the most commonly reported, along with psychological issues, such as mood swings, anxiety and memory loss. These symptoms can have a bearing on their performance at work - with our own research finding that women are less able to concentrate, experience more stress and feel less patient with colleagues and clients as a result.

Legal duties

Changing demographics is another important reason why action needs to be taken, given that women aged 50 and over are the fastest growing group in the workforce. The average age that women experience the menopause is 51, so there's a strong business case for employers to take action. Without the right support, women could be uncomfortable at work or may even consider leaving their jobs altogether if their symptoms are severe.

Employers also need to remember that health and safety - and equality - laws mean they are legally bound to support women going through the menopause.

The CIPD has produced new guidance for HR professionals and line managers, so they can help women with menopausal symptoms continue to thrive at work. We emphasise that making small adjustments can make a big difference; providing access to desk fans or even pushing back their start time are good examples.

We also highlight the importance of creating an environment where women feel comfortable talking about

the menopause for work adjustments to be made. Training line managers to have sensitive discussions is essential to making this happen, but is an area which needs to be improved upon.

Tellingly, we find that women who are going through the menopause feel more supported by their colleagues than their managers.

Our research shows that only a quarter of people who are unable to go into work, because of their symptoms, told their manager the real reason why.

How to make a difference

While no one should be forced to disclose their symptoms if they don't want to, the onus should be on the organisation to create an open and supportive culture. It's the responsibility of HR to ensure managers are sufficiently trained to have open conversations with their team. Managers should also draw on the expertise of their HR function and occupational health and employee assistance programmes for extra help, if it's available.

To help managers and staff alike know the lay of the land, the menopause should be included in an employer's HR policy, framework or guidance, outlining what support is available and signposting to further information. This should help everyone to take a more proactive approach to the menopause at work, rather than treating it as an afterthought or ignoring it altogether.

In terms of reward, HR should look at offering financial and non-financial benefits that those going through the menopause would find useful. Examples include flexible working arrangements and personalised wellness programmes - both of which should be offered to all employees. ■

Charles Cotton, performance and reward adviser, CIPD



Charles Cotton, CIPD

“The law means employers are legally bound to support women going through the menopause”

MAKE PENSIONS DIGITAL

Baroness Ros Altmann explains how technology could ease payrollers' workloads when it comes to sharing pensions data



Ros Altmann,
Former pensions minister

“Data submitted via APIs can generate a six-fold reduction in customer support queries”



The payroll industry does tremendously valuable work. Over £150bn a year in tax revenue is remitted to the Exchequer through the PAYE system - nearly 30 percent of all tax collected by HMRC. Yet this work is often taken for granted, as policymakers just continue to add new burdens.

In recent years, as well as Real Time Information (RTI) requirements, many extra complexities and responsibilities have been piled onto payroll. Apart from tax and National Insurance (NI), payslips must show a whole range of benefits including student loan repayments and automatic enrolment pension deductions.

Pension contributions have added unprecedented complexity, but little official help is available. Payroll is just expected to adjust to the new rules. HMRC provides basic PAYE tools for the smallest employers, but these do not cover pensions. The Pensions Regulator offers a standard tool which is not wholly reliable, leaving a huge new burden for administrators.

The power of technology

Modern technology could make these tasks easier, for example adopting application programming interfaces (APIs) for submitting pension data electronically, at the click of a button, from payroll software to pension providers.

Using APIs can offer significant advantages over traditional CSV file processes. Commercial benefits include improved business process efficiency, with faster, better quality, more accurate and secure data submissions.

Electronic data exchanges also benefit pension providers - who achieve an impressive reduction in customer support costs, as data issues are dealt with more effectively by the technology. One provider reports that data submitted via an API generates a six-fold reduction in customer support queries.

If there are so many advantages to

these more modern processes, why have they not been more widely used?

Barriers to entry

Unfortunately, there are also many barriers to adoption of API-enabled connections, between payroll and pension providers. Part of the problem may be a culture accustomed to manual data submission processes and a resistant to change.

New technology has not been widely promoted directly and payroll staff may feel more comfortable using CSV files, which they can actually see, with tangible evidence of submission.

New technology inevitably incurs initial costs and takes time in changing processes. Lack of familiarity with fintech terminology, by those who have never used it, fosters fears of perceived complexity. Payroll is a low-margin business, with staff often over-worked - but not over-paid - leaving little time to devote to improving efficiency. The technology has not been widely promoted or clearly explained in plain English. Perhaps changing the language to talk about submitting data 'at the click of a button' (rather like RTI) may be helpful.

Another barrier is the difficulty that payroll software has in creating a strong business case for developing and maintaining API links with pension providers. Without standards in place, each pension provider integration is a bespoke project - requiring payroll software to pay for ongoing maintenance, but low-margin businesses cannot easily increase prices to cover such costs.

Furthermore, when first submitting data via an API, payroll data quality issues and the inherent complexity of auto-enrolment administration means initial API-enabled uploads often contain errors, with operators needing to call payroll software customer support teams to learn new processes - or reverting to familiar CSV spreadsheets. Once they have invested a little time in this, the

ongoing data submissions are done at the touch of a button, far faster than the traditional methods, but busy clerks may be put off by time taken to familiarise themselves with using APIs.

Many pension providers do not have direct dialogue with payroll or employers - they often rely on middlemen to help them. Large employers tend not to be using APIs because of the costs of changing their payroll processes and legacy systems. These big firms often have many different legacy software systems, not all of them suitable for APIs.

It is regrettable that auto-enrolment did not require standardised data processes from the start.

Are you ready for change?

So how can we improve the adoption of more modern, efficient, accurate, secure operating processes? Clearly, increasing awareness of electronic integration and using simpler language such as 'one-click pensions' will help.

Ultimately, to encourage faster adoption of APIs, pension providers might charge higher fees for data submitted via CSV, justified by the additional cost of customer support.

It would also help if regulators and industry bodies could promote automated data submissions, with increasing emphasis on ensuring data submissions are accurate and secure.

pensionsync has proposed a "Make Pensions Digital" mission statement to call for faster take up of technology.

This mission could apply not just to payroll contributions, but also to wider areas such as the pensions dashboard and regulatory reporting. There is a long value chain of data which could be digitally enabled.

So is the industry ready to embrace modern technology? So far, take up is slow, but the sooner this happens - the sooner "Make Pensions Digital" can benefit us all. ■

Ros Altmann, former pensions minister



The Pensions Regulator

“Are schemes calculating the data scores that indicate how accurate their data is?”

PROACTIVE PENSION PROTECTION

The Pensions Regulator explains why it will be contacting schemes to check trustees are meeting their responsibilities correctly

Our research shows some trustees who do not engage with us, fail to realise they are not meeting the required standards of governance or administration.

Trustees are being contacted about legal duties in specific areas and our latest round of engagement, of this type, is focusing on default investment funds.

Default investment funds is one area of focus for us. 95 percent of members are saving into these arrangements, so it's important that trustees are running them properly. That includes reviewing the pension scheme's default strategy and the performance of the default arrangement every three years, in line with the law.

We are also looking at other areas - the balance between deficit repayment contributions and dividend payments, as well as record keeping - whether schemes are calculating the data scores which indicate how accurate their data is about their members.

Corporate plan

Dialing up our communications and engagement with schemes is a key part of our recently published corporate plan. We'll be contacting schemes to clarify our expectations about the standards of governance and administration that should be met to protect savers.

Our new supervision team is already building one-to-one relationships with more than 20 schemes and this approach is being rolled out to many more. We want schemes to take the opportunity to talk to us, ask questions and check they are on track and meeting all their responsibilities. Supervision will help ensure The Pensions Regulator (TPR) better understands the challenges schemes face and identify potential future risks.

We will also use a rapid response team to react more quickly to reports and intelligence about companies or major restructuring plans. These

actions will extend TPR's grip to far more schemes than in the past.

Our proactive and targeted approach means we will take swift action where standards are not being met, being tough where we need to be. By holding those we regulate to account we are protecting pension savers and the Pension Protection Fund.

Last year we had the first prosecution for fraud, our first custodial sentence, and the courts handing down the largest ever fine following a TPR prosecution. We have also seen a number of high-profile cases being resolved, including Southern Water agreeing to pay £50m into its pension scheme under a shortened recovery plan.

This year our corporate plan goes further to define the key outcomes that we aim to achieve through our work, and how we will evaluate those outcomes to demonstrate the effectiveness of our role.

Building on last year's joint strategy with the Financial Conduct Authority (FCA), on tackling key risks facing the pensions sector, TPR and the FCA will be launching a joint review of the consumer pensions journey. This will explore how disclosures and information from pension schemes and providers combine with guidance and advice services, to help pension savers make well-informed decisions.

We will also continue to work actively with the FCA and the Money and Pensions Service (MAPS) on defined benefit (DB) to defined contribution (DC) transfers, to ensure that they work effectively for those who want to transfer, but enable savers to understand the risks involved and the options available to them.

The process of identifying and assessing the core regulatory risks in the landscape has enabled us to develop our priorities for the next three years, so that we continue with our proactive and targeted approach to ensure schemes are safe and savers are protected. ■

The Pensions Regulator

WHERE'S THE FUN GONE?

Most of the things we buy give us a great user experience, but that doesn't necessarily apply to our pension. Henry Tapper asks why

If you think about the various assets that you own, your car, your house, your pets - you'll immediately remember something that makes you laugh or cry. We live our lives through the things we own.

So what about your pension? Can anyone tell a single story about their pension? The truth is: out of all our possessions, our pension is the one we know least about and have the least fun with. It doesn't have to be like this.

A couple of years ago I was involved in a project with Legal & General, which would have allowed us to travel around the country with our phones pinging every time we passed an asset we owned a brick of. It hasn't happened yet, though I understand Google Maps has been approached.

WANTED: Information

More recently, I've been doing some vox pops about pensions with members of the public. What came over loud and clear was that people hadn't the first idea what happened to the pay deductions they saw coming out of their pay.

Two people I spoke to thought that the money went to the government and that they were buying extra state pension. It turned out that their money was going to NEST and their employer had told them their money had been invested in the "government pension scheme".

The sad thing is that NEST are doing really interesting things with the money given to them, investing responsibly for social good. Not only that, but the investments are doing really well - meaning that NEST investors should be having a lot of fun.

So why aren't we being told this good news? It seems that the only time we get to hear about our pensions is once a year when we get a piece of paper, with a load of words and numbers on it, telling us what we'll get in however many years when we can stop work. The trouble is that unless we are virtually retired, these papers are no fun at all.

Going back to my vox pops, I was told again and again that people wanted to know what they were buying with the money they were spending on retirement.

One lady told me that if she felt she was investing in the kind of things she approved of, she would invest more money. All she wanted was more information, so imagine how much more engagement we'd get from people if they were able to enjoy the amenities their investments gave them.

This is not as fanciful as it sounds. It is quite common when you invest directly to get investor perks. We expect so little from our pension providers, but we could get so much more.

Instead of delighting people with pensions, we seem intent on intimidating our customers.

Manners

At the time of writing this article, I received an email from NEST - a pension I set up for my staff and I - which told me in loud capitals "WELCOME TO NEST". But immediately afterwards, I was told "do not reply" to the note I'd been sent. I know that these "do not reply" messages are there to manage expectations of thinking you could possibly have a chat with someone, but really? The rest of the note went on to list all the ways I can interact with NEST, all of which lead to automated services.

The opportunity to enjoy our pensions is being lost because we have forgotten how to please people. A "please don't reply to this message" would be so much nicer, especially if it was accompanied by a note saying: "do you fancy a chat about where your money goes?".

I am not a techie, but I know enough about fintech to know that it is all about the user experience. Most of the things we buy, from cereal to laptops, give us a great user experience. But for pensions, it is truly abysmal, which is why we as pension and payroll professionals have such an important job to do. ■

Henry Tapper, chief executive, AgeWage



Henry Tapper, AgeWage

“Instead of delighting people with pensions, we seem intent on intimidating them”

SHARED PARENTAL LEAVE: 1% TAKE UP

Following recent studies and court cases, Paul Hayward finds it hard to believe families will be "sharing the joy" anytime soon



Paul Hayward, *Blake Morgan*

“The current statutory sum for shared parental leave is simply not enough”



Four years ago the coalition government, to much fanfare, introduced the Shared Parental Leave Scheme (SPL) and billed it as a "game changer" for parents. The aim was to not only increase workplace equality by giving parents the ability to share the caring responsibilities, but also to give women the ability to go back to work earlier.

However, in light of concerns raised by the TUC in April - that just one percent of new parents in 2017/2018 took up SPL - and the recent decisions in *Ali v Capita Customer Management Limited* and *Chief Constable of Leicestershire Police v Hextall* (with regard to challenges to the difference in pay between SPL and maternity leave); it could well be said it is game over as parents are simply not taking up the option of SPL.

So where lies the impasse? Put simply: pay, or financial ability. The TUC confirms that £148.68 per week, the current statutory sum for parents undertaking SPL where an employer does not offer an enhanced rate, is simply not enough for parents to meet the cost of their bills and outgoings.

Case example

This was highlighted by Ali: his wife suffered from postnatal depression and he subsequently became the primary carer. In order to do this, Ali wanted to take SPL, albeit on the same rate of pay as a female employee's rate of pay on maternity leave of 14 weeks' full pay and not the rate of the statutory sum, as they could not afford to live on it as a family.

Whilst Ali accepted that he could not be compared to a mother during the first two weeks of compulsory maternity leave, and could not be entitled to the same pay, he suggested that he was entitled to the same rate as his female colleagues for the next 12 weeks. This was on the basis that this period, whether classified as SPL or maternity leave, was for the care of the child and there should not have been a difference in pay based on sex.

“Aviva UK offers parity for males with the same level of pay for shared parental leave as maternity leave”

Capita did not agree, offering Ali the statutory sums and ultimately the Court of Appeal sided with them on the basis that the purpose of maternity leave is "the health and wellbeing of the pregnant and birth mother", whereas the purpose of SPL was "the care of the child". On this basis, there was no direct sex discrimination due to the difference in pay. Ali received the same sums of money as a woman on SPL, and a woman on maternity leave was not comparable due to the differences in purpose of SPL and maternity leave, and he was not being treated less favourably by being paid the statutory sum.

Is SPL the issue?

Hextall, in the claim joined with Ali's claim, was of this view and he argued that "paying only the statutory rate of pay for those taking a period of SPL" placed men at a disadvantage compared to women, and men were less likely to take it, amounting to indirect sex discrimination.

This claim also failed legally because the court held that Hextall's claim was in fact an equal pay claim, and the implied "sex equality clause" does not apply to special treatment in connection with pregnancy or childbirth. The court considered that in any event, an indirect discrimination claim would have failed on the same basis as Ali, but appropriately highlighted the real issue - men are disadvantaged compared to women, not through SPL - but because men can never receive enhanced maternity pay as they cannot bear children.

It is hard to see, in light of the statistics and the judgment of the Court of Appeal, that families will be "sharing the joy", as the government puts it, anytime soon. The position could be compounded further if you consider that a family adopting a child may well face the same issues as Ali, if an enhanced scheme is offered. However, there remains some hope:

- Aviva UK now offers parity for males with the same level of pay for SPL as maternity leave. The result: 67 percent of eligible fathers took six months off work and the effect on their business is being noted. Diageo have also confirmed they will offer 26 weeks of full pay to fathers.
- The TUC are pushing, in light of their findings, for an accessible right for all families whereby they can access these rights from day one with financial support for all families.
- The Court of Appeal judgment may not be the end of the matter as Ali and Hextall are appealing to the Supreme Court.

Special care must be taken when introducing such schemes to avoid inadvertent discrimination of any kind, but if we are ever to address the gender pay gap (with eight out of 10 companies paying men more than women), in the absence of government intervention or assistance, fundamental changes to our working practices need to happen. ■

*Paul Hayward, senior associate,
Blake Morgan LLP*



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Ceridian is a global human capital management (HCM) software company. Dayforce, its flagship cloud HCM platform, provides human resources, payroll, benefits, workforce management, and talent management capabilities in a single solution. The platform helps you manage the entire employee lifecycle, from recruiting and onboarding, to paying people and developing their careers. Ceridian provides solutions for organizations of all sizes, from small businesses to global organizations.



EQ GLOBAL

Broadgate Tower, 20 Primrose Street,
London EC2A 2EW
Email: eqglobal@equiniti.com
Website: www.equinitiglobal.com
Telephone: 0844 776 1836

EQ Global is a trusted international payments provider. It helps your business pay employees on time by making complicated, business critical and time-consuming global payroll payments simple. The use of its end-to-end technology gives you the assurance that your payments processes are covered, so you can concentrate on the business activities that matter to you most. By offering a smart solution to send and receive money internationally, EQ Global eliminates the pain points around the traditional payments process, providing speedier payment delivery more cost-effectively, and at much lower risk. EQ Global is part of the Equiniti Group, a company with a 180-year heritage and whose clients include over 50 percent of the FTSE100 in addition to a large number of government bodies and public sector organisations.



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.



Software

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 the public sector. Megapay is used throughout every major industry from Manufacturing, Telecoms, Top 5 Accounting Firms, Government Departments, etc., with clients ranging from 500 to 20,000+ employees. As a Certified Workday Global Payroll Cloud Partner, Megapay is certified as interoperating with Workday HCM. In addition, Megapay also interfaces with leading T&A and Financial applications.



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

REWARD STRATEGY TRAINING IN ASSOCIATION WITH THE PAYROLL CENTRE

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

Reward Strategy, formally known as Payroll World, has been well respected by payroll, HR and finance professionals for over a decade for incisive comment and practical advice. Now in association with The Payroll Centre, we offer a select range of CPD certified short courses to develop real skills. 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.



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

Frontier Software PLC, a leading provider of integrated HR and Payroll software solutions, offers chris21, a comprehensive HR integrated solution, for effective workforce management. Intuitive and easy to use, 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.



Our on-demand video training supports you in **preparing for IR35** implementation

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Have you conducted an audit of your existing arrangements with PSCs and contractors, whether you engage them directly or through an agency?

The government is making you responsible for determining their IR35 status and liable for any subsequent taxes and penalties for making an incorrect employment status determination.

HMRC advise that you need to be preparing **now** for the upcoming changes.

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