

Information Booklet for Service User Employers

Useful Contact details

PayPartners Payroll Service	0161 667 3650 24/7 answerphone payroll@pay-partners.co.uk Mo-Fr: 8.30 a.m. to 5.00 p.m. www.pay-partners.co.uk
HMRC	www.gov.uk/government/organisations/hm-revenue-customs Use the search bar to find information on specific topics
Income Tax	Tel 0300 200 3200 Mo-Fr: 8 a.m. to 8 p.m. Sa: 8.00 a.m. to 4 p.m.
National Insurance	Tel 0300 200 3500 Mo-Fr: 8 a.m. to 8 p.m. Sa: 8.00 a.m. to 4 p.m.
ACAS Employment Law, Holiday pay, Redundancy etc.	www.acas.org.uk Tel 0300 123 1100 Mo-Fr: 8 a.m. to 6 p.m.

By way of introduction...

The team here thank you for choosing PayPartners to support you with your payroll requirements. You will have either chosen our service through searching the internet or been recommended to us by your Local Authority Direct Payments team.

Your PayPartners team & employee owners are:

- Stephen Moreton – Director
- Tracy Scholes – Payroll Supervisor (& 2nd in charge!)
- Louise Dunlop – Payroll Processor
- Helen Spaven – Payroll Processor
- Stephen Keegan – Payroll Processor
- Jeanette Muir – Admin Team
- Rachel Meehan – Admin Team
- Maureen Smith – Accounts & Invoices payable
- Tara O'Toole & Michelle Speakman - DD collections & Credit Control

We offer two specific types of service:

1. STANDARD ACCOUNT service for clients who control their own funding/budget
2. MANAGED ACCOUNT service for clients who choose PayPartners to hold their funding/budget

We hope you will find this information booklet useful. In it you will find details on

- The PayPartners payroll service
- Holidays for PA's
- Auto Enrolment Pensions
- Your small print agreement with PayPartners

PayPartners has a fully automated telephone system – **0161 667 3650** - and you will be guided through a few options so you can leave a message or hold to speak to an operator. Any messages left on a business working day will be listened to and processed within 24 hours.

We positively encourage service users to contact us by e-mail. If you send an e-mail PayPartners we will reply to you using e-mail.

Templates of some of our standard forms can be found on our website for you to download. Alternatively, we can e-mail copies or post paper copies to you.

In addition to payroll processing, we offer a general advice service for all payroll related matters. Contact us by telephone or e-mail.

PayPartners employees are members of the Chartered Institute of Payroll Professionals (cipp.org.uk) and you can rely upon the advice we give you in relation to payroll procedures and law.

PayPartners look forward to working with you in what we hope will be a successful partnership for both of us. Should you have any questions or queries regarding any aspect of our service, this letter or the contract, please contact a member of the team immediately.

Should you be dissatisfied with any aspect of our service, we have a complaints procedure. The details are in appendix A in your agreement (at the end of this booklet). Please address all correspondence to the Director of PayPartners.

STANDARD ACCOUNT v MANAGED ACCOUNT - what's the difference?

STANDARD ACCOUNT payroll service	MANAGED ACCOUNT payroll service
You contact PayPartners with the hours worked by your PA	You contact PayPartners with the hours worked by your PA
PayPartners process your payroll and complete your HMRC filing obligations	PayPartners process your payroll and complete your HMRC filing obligations
PayPartners sends you a payslip for your PA and other paperwork for your records	PayPartners sends a payslip directly to your PA
You organise payment to your PA and hand them their payslip	PayPartners pays your PA directly into their bank account
Every 3 months PayPartners issues you with a statement so you can pay your HMRC liabilities	Every 3 months PayPartners calculates your HMRC liability and pays this directly to HMRC
At Year End PayPartners complete your HMRC filing obligations and issues you with a P60 to be handed to your PA	At Year End PayPartners complete your HMRC filing obligations and issues a P60's directly to your PA

If you have to pay a personal contribution to your Managed Account

In certain circumstances, your personal budget will need to be topped up by your own personal contribution. Your local authority will have informed you if this is the case.

If you are contracting with PayPartners on our Managed Account service and you are required to make a personal contribution to your budget, you will need to set up a standing order at your bank to pay your contribution to PayPartners. Our bank details are in the application pack.

Personal contributions form part of your direct payments package. If PayPartners are aware that you have to make a personal contribution and you have not made or do not make your personal contribution, we reserve the right to put a stop on payroll services until payments are brought up to date.

It is ultimately your responsibility to keep your personal contribution payments up to date. If your circumstances change and you can no longer afford to keep up with the payments you were assessed for, then you must contact your social worker/Local Authority IMMEDIATELY.

If you want to pay your PA more per hour via a top up to your Managed Account

You are at liberty to pay your PA more per hour than your budget allows for. In these circumstances you will need to top up your budget by setting up a standing order at your bank to pay your top up contribution to PayPartners. Our bank details are in the application pack.

If you do not pay your top up payment we reserve the right to put a stop on payroll services until payments are brought up to date.

It is ultimately your responsibility to keep your top up payments up to date. If your circumstances change and you can no longer afford to keep up with your top up payments, you must contact PayPartners IMMEDIATELY and we will amend the PA pay rate back to the Local Authority rate.

Money Laundering – for your information

In common with all accountancy and legal practices, PayPartners is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- Register with HMRC for supervision purposes.
- Have and maintain an identification procedure for everyone we engage with whilst providing our service.
- Hold on file evidence of said identification.
- Know the nature of our client's business and the names of any beneficial owners of that business.
- Report, in accordance with the relevant legislation and regulations on any suspicious activity in regard to money activity.

We have a statutory obligation under the legislation to report to the Serious Organised Crime Agency (SOCA) any reasonable knowledge or suspicion of money laundering. Any such report will be made in the strictest confidence to SOCA. In fulfilment of our legal obligations, neither PayPartners Directors, Managers or staff may enter into any correspondence or discussions with any client of PayPartners regarding any report made to SOCA.

The PayPartners Payroll Service

PayPartners Payroll Bureau has been established since 2004 and we are specialist providers of payroll services to Local Authority “Direct Payments”, “Self-Directed Support” and “Personal Budget” Service User Clients.

We offer a professional & friendly payroll service, paying your PA’s either 4-weekly or monthly (depending on your Local Authority requirements).

At the start of each tax year, we issue calendars for 4-Weekly and Monthly pay frequencies showing the pay dates and suggested dates for communication of hours to PayPartners. These are issued to help guide you to enable on-time payments to your PA. Please follow the calendar deadline dates to ensure that we can provide you with the best possible service.

Once a pay frequency is decided upon it is normal practice to stick to this arrangement for the whole of the tax year ahead.

All payroll frequencies are calculated ‘in arrears’. This means that your PA is paid for the hours they have worked in the days leading up to the pay period end date. This is not the same as a ‘week in hand’ arrangement.

4-Weekly payrolls

- **The pay period** is 4 weeks’ worth of hours worked Monday to Sunday. The 4 weeks are determined by PayPartners. You or your nominated contact person need to record the hours worked by each PA during the pay period and at the end of the pay period notify PayPartners of the total hours worked.
- **The (first) payrun** is calculated and finalised by the Thursday in the week following the pay period end. Payday is Friday.

Monthly payrolls

- **The pay period** is from the first calendar day of the month to the last calendar day of the same month. You or your nominated contact person need to record the hours worked by each PA during the pay period and at the end of the pay period notify PayPartners of the total hours worked.
- **The (first) payrun** is calculated and finalised by the last working day of the month. Payday is the last working day of the month. Note, payday can be a different day each month!

For any hours that miss the first payrun deadline, we process a SECOND payrun for each frequency. However, this can lead to a payday of up to ONE WEEK later than the first payday. Your PA could suffer because of having wages delayed.

Payroll processing for all payment frequencies where a payment process week contains a Bank Holiday may be subject to a one day delay in processing.

At Easter and Christmas times separate arrangements sometimes apply. We will notify you in good time with deadlines and paydays if these are to change.

There will occasionally be an extra week in the tax year. This is known as a 53-week tax year. We will advise you at the start of the tax year if we have to run an extra week and what we will need from you.

We monitor the number of hours being worked by each PA against your budget plan. You should not ask your PA to work more hours than those which you have been budgeted for. This is part of your responsibility. Where hours worked exceed the set budget, we will query this with you and/or the Local Authority. Whilst this process is happening there may be a short delay to the normal payday.

Informing PayPartners of hours worked

In all cases we require you or your nominated contact person to make contact with PayPartners at the end of each pay period to let us know how many hours your PA has worked. It is VITAL you do this to ensure:

- a. Your PA is paid on time and has a payslip for the payment being made to them
- b. They pay the correct Tax and National Insurance
- c. You have the correct paperwork in place for any audit requirements

Ideally, you **should not** submit hours for your PA in advance of work being completed. If you are confident they will work as usual to the end of the pay period, you can submit their hours earlier. If in doubt, wait until the pay period has ended.

You or your nominated contact person will have to either personally telephone, e-mail, or submit a signed and dated timesheet depending on the arrangement with your Local Authority.

The telephone number to report details to is **0161 667 3650**. During peak periods there is an answer machine in operation where you can leave details of the hours worked by your PA.

The e-mail address to report details to is **payroll@pay-partners.co.uk**

Each pay period we will need to know:

- The names of your PA's and the total hours they have worked (we do not need a daily breakdown)
- The agreed pay rate for each of your PA's
- Any extra payments we need to make such as sleepover or overtime hours etc.
- Any holiday hours that have been taken
- Contact details so we can call you back if we have a query.

Late notification of hours worked

We appreciate that sometimes there will be circumstances where you may not be able to notify us of your PA's hours at the correct time for payroll processing.

If we have not received your PA's hours by the deadline for the second payrun then your PA's hours will not be processed until the payrun for the next period on. In special circumstances we may be able to make an emergency payment (or advise you to make one) so your PA does not suffer financial hardship.

Effect of Tax, National Insurance & Pension contributions on late notification of hours

If you have notified PayPartners of your PA's hours after both deadlines for the payrun, or have missed several pay runs then there are consequences for your PA. They will pay MORE Tax, National Insurance and pension contributions.

This is more serious if the tax year has rolled over and payments are due from the old tax year but have to be processed and paid in the new tax year.

The hours worked and payments due will be 'lumped together' on ONE payslip.

Their P60 for the closed tax year will not show all the earnings for that year.

Their P60 when issued at the end of the new tax year will show more earnings than would normally have been paid.

PayPartners cannot alter the way the tax system works. Late notification and payment of hours may seriously affect your PA's claims to any universal credit/benefit payments.

PA's who start working for you

- The minimum age to work as a PA is 16 years.
- There is no maximum age if the person being employed is physically fit and able to perform the tasks you require them to do.
- You should not employ members of your own family. However, you may be able to do so in certain circumstances, but you must seek advice from your Local Authority BEFORE you do so.
- In your application pack we include two PA starter forms. Please ensure your new PA completes all the information required including the declarations & statements regarding Tax.
- Further starter forms are available from PayPartners. They can be downloaded from our website or we can organise paper copies to be sent in the post.
- Completed starter forms and tax declarations (including any form P45 handed to you) should be sent to PayPartners as soon as your PA starts working. Any delay may result in us being unable to calculate your payroll on time.

PA's who stop working for you

- You must inform PayPartners immediately if your PA stops working for you and provide a date of leaving for the P45.
- On the next available payrun we will calculate their final hours and process and pay any final holiday pay. If you have allowed your PA to take holidays in advance of their entitlement, we will try and recover as much of the overpayment as we can. Your PA may be left with little or no final payment where this is the case.
- PayPartners will advise HMRC that your PA has stopped working for you and issue form P45.
- Part of our housekeeping process is to regularly sweep the payroll records and archive any PA that has not worked for 12 weeks. We will report them to HMRC as a leaver and issue form P45.
- Any PA's that subsequently return to work for you, just let us know their name and we will reinstate the record back onto the payroll from the archive.

PA's who work for you on a self-employed basis

You must seek advice from your Local Authority before you engage the services of a PA who asks to be paid on a self-employed basis. There are a number of HMRC tests that need to be satisfied to ensure a worker can provide their services on a self-employed basis, mainly around control and supervision.

PA's who work for you on a self-employed basis are not entitled to paid holidays, any statutory payments for sick & maternity, nor are they entitled to join your pension scheme. They will not be entitled to any pay in lieu of notice or any payments such as severance &

redundancy pay if they stop providing their services to you. They must also show you their company and or personal insurance liability documents and must satisfy you they are adequately covered to work in your home.

Payments to self-employed PA's will be made in line with the pay frequency as determined by your Local Authority and the relevant payroll processing calendar for that frequency. For the avoidance of doubt, where the Local Authority requests PA's to be paid on a 4-weekly payment basis, the payment frequency for a self-employed PA will also be 4-Weekly and where a Local Authority requests PA's to be paid on a Monthly payment basis, the payment frequency for a self-employed PA will also be Monthly. Paydays for each frequency are shown on the payroll processing calendar.

To receive payment from you, self-employed PA's need to present you with a simple invoice. The invoice must show:

- Their name and or company name and address.
- Your full name and address.
- A tax point date.
- A unique invoice number.
- Details of what service was provided with specific days and hours and bill rates.
- A clear "Grand Total" payment due (and the addition must be correct).
- Bank details for the payment. We only pay invoices by BACS payment.
- Invoices must be delivered directly to you for signature approval **before** they are forwarded to PayPartners for payment.

In addition:

- There will be no payment without an invoice.
- Invoices for work not yet completed will not be paid.
- Self-employed PA's must be aware that they are running their own business and any payments made outside of any agreed terms for whatever reason will be at their own risk and you will not be responsible for any bank charges or other missed payments so incurred.

PA's who go sick

- Any PA that is sick must inform you as soon as they fall sick. They must provide you with medical evidence of their sickness.
- For the first 7 days of sickness they will have to complete a self-certification sick note form SC2. These can be downloaded from the internet. Search on the GOV.UK website for 'form SC2'
- After 7 days they must see a GP who will give them a fit note. A fit note will declare:
 - If your PA continues to be unfit for work
 - If your PA is now fit for work or fit for work if the duties are modified
 - If your PA can return to work on a phased return basis in agreement with you
- You must send any self-certification sick notes and/or fit notes to PayPartners as they are received.
- PayPartners will assess and calculate any Statutory Sick Pay (SSP) to be paid.
- SSP is the pay an employee receives from their employer if they fall sick. They do not receive any pay for the first 3 days of sickness. These days are known as "Waiting Days".
- Under the SSP scheme employees can be paid for a maximum of 28 weeks = 196 days (less 3 waiting days) in any sickness absence. Once this threshold is reached the employers SSP liability ends and the employee will be signed over to the DWP.
- Any SSP to be paid will be processed in accordance with the payment frequency in operation. For the avoidance of doubt this will be either 4-weekly or Monthly.
- In certain circumstances you may not have to pay any SSP to your PA. There are several reasons why, for example they might not earn enough with you. In these circumstances PayPartners will send your PA form SSP1 and they should claim sickness benefit from the DWP.

PA's who become pregnant

- Any PA that falls pregnant must inform you as soon as practicably possible, in any event they should inform you at least 15 weeks before the date they are expecting their baby.
- They will have to give you medical evidence of their condition. This will be by form MATB1 which is issued by a midwife or GP. You must send this document to PayPartners as soon as this is given to you.
- PayPartners will assess and advise you if your PA can be paid Statutory Maternity Pay (SMP). SMP is the pay an employee receives from their employer when they take leave to have their baby.
- Any SMP to be paid will be processed in accordance with the payment frequency in operation. For the avoidance of doubt this will be either 4-weekly or Monthly.
- Your PA is entitled to 52 weeks maternity leave and you will have to pay them for the first 39 weeks. The remaining 13 weeks will be unpaid. In most cases you will be able to recover all of the SMP you pay to your PA plus compensation for having to do so.

- If you do not have enough money to pay your PA the SMP they are entitled to, you can receive advance funding from HMRC. PayPartners will apply to HMRC on your behalf should this be the case.
- In certain circumstances you may not have to pay any SMP to your PA. There are several reasons why, for example, they might not earn enough with you or they might not have been employed with you long enough. In these circumstances PayPartners will send your PA form SMP1 and they should claim maternity benefit from the DWP instead.
- Whilst on maternity leave your PA will continue to accrue holiday time.
- Your PA can do some work for you whilst they are on maternity leave. These are known as 'Keeping In Touch' (KIT) days. Your PA can only do this for a MAXIMUM of 10 individual days and you can pay these extra hours on top of their usual SMP.
- If you find out that your PA is working for another employer whilst they are on maternity leave with you then you must inform PayPartners immediately. In certain circumstances their SMP entitlement will end with you.
- There are numerous rules and regulations for SMP. Further information can be found on the internet at GOV.UK by searching for 'maternity pay'.

Income Tax

- Everyone is subject to pay income tax once their personal allowances have been used. Personal allowances are usually updated each year by HMRC.
- Comprehensive details on personal allowances and tax rates for employers and PA's can be found on-line at GOV.UK by searching for 'tax allowances'.
- Any tax form (or substitute) your PA hands to you must be forwarded to PayPartners. This will ensure that we are operating the correct tax code and not deducting too little or too much tax from their wages.
- If your PA has sole employment with you they should be able to claim full personal tax allowances from HMRC and pay tax on the remainder of their earnings at the basic rate (currently 20%).
- If your PA has more than one job they will either claim their allowances with you or their other employer. HMRC may allow your PA to split their allowances between their various employments. Your PA will need to contact HMRC directly to organise this.
- If your PA is in receipt of a state or private pension their earnings with you will not be subject to any personal allowances and be taxed at the basic rate, currently 20%.

National Insurance

- All PA's over the age of 16 and up to state retirement age must pay National Insurance on any wages paid to them.
- Once a PA reaches state retirement age, you should send a copy of their passport or birth certificate to PayPartners and we will stop deducting National Insurance from them.
- As an employer you must also make a contribution of National Insurance on your PA's wages. This is set at a higher rate than your PA pays. If your PA reaches state retirement age whilst in your employ, you will still contribute National Insurance on their wages until they stop working for you.

Under no circumstances must you offer to pay your PA's Tax or National Insurance deductions back to them. We also advise against setting up a standing order to pay your PA's net wages as pay amounts due can vary each time.

Auto Enrolment Pensions – in general & your obligations

- Every employer in the UK has to offer their employees a workplace pension. As an employer of a PA you are included in the law governing this.
- The Government department responsible for workplace pensions is The Pensions Regulator (www.thepensionsregulator.gov.uk)
- All employees aged 16 to 75 must be advised in writing there is an employer pension scheme available to join.
- Any employee who earns less than £10,000 per year will not be auto enrolled into a pension scheme, however, they can opt in (join) the pension scheme if they want to. They must be advised in writing of this.
- All employees aged 22 or over and up to state pension age who earn more than £10,000 per year **MUST** be auto-enrolled into a pension scheme. They must be advised in writing that they have been auto-enrolled. Employers do not have any say in the matter, however an employee has a choice once enrolled to opt out. If they opt out within one month of being enrolled they will be entitled to their contribution back. If they opt out after one month they will not get any of their contributions back.
- To opt out, the employee must contact the pension provider directly to inform them they want to opt out. They cannot tell you or PayPartners they want to opt out, neither of us has authority to accept opt out instructions.

Your Pension Scheme

- PayPartners will use NEST Pensions to fulfil all your obligations. You can choose to operate a pension scheme other than NEST, but you will be responsible for this without further help & advice from PayPartners.
- NEST is an on-line pension solution and PayPartners will upload any contributions directly to the NEST website.
- For our Standard Account service, you are required to pay these contributions by either Direct Debit from your Direct Payments bank account or debit/credit card. You will need to send details of both to PayPartners so we can set this up for you. For our Managed Account service, the contributions will be collected from your funds held in PayPartners bank account.

Declaration of compliance

- Part of the Pension Regulators duties is to ensure that every employer is complying with the pensions law.
- To prove that you are complying, you must file a Declaration of Compliance irrespective of whether or not you have a pension scheme or any PA's to enroll. This can only be completed on-line. PayPartners can complete this for you.
- Failure to file a Declaration of Compliance will prompt the Pensions Regulator to investigate you and possibly fine and or imprison you.

Cyclical re-enrolment

- Every THREE years you must re auto-enrol any employee who previously opted out of your pension scheme. PayPartners will do this for you.
- Your PA can opt out again following the process outlined previously.
- Similarly, every THREE years you must re-file a Declaration of Compliance to the Pensions Regulator to show you are still operating within the law. Again, this can only be completed on-line. PayPartners can complete this for you.

Court orders/Attachment of Earnings (AEO)

- Your PA may have been in financial difficulty and been unable to pay for goods/services in the normal way. Where money is owed, creditors will apply to the Courts for payment via a court order or attachment of earnings.
- The Courts will in turn instruct employers to deduct money from employees wages in line with their pay frequency and as determined by the Court.
- As an employer you may receive documents from the Courts asking you to deduct money from your PA's wages. You have a legal obligation to comply with the request and if you do not you can be heavily fined or imprisoned.
- For this reason, any Court orders received should be forwarded to PayPartners immediately. We will apply the Courts instructions to the payroll process.
- If you are on a Standard Account service, PayPartners will advise you each pay period of the amount you should pay to the Court. If you are on a Managed Account service, PayPartners will make the payment on your behalf from your funds.

Holiday Pay

- Under the Working Time Regulations your PA is entitled to 28 days holiday per year.
- 28 days equals 5.6 weeks.
- A complete year consists of 52 weeks (no matter when the holiday year starts) and each year your PA will work 46.4 weeks and take 5.6 weeks holiday.
- $46.4 \text{ weeks} + 5.6 \text{ weeks} = 52 \text{ weeks}$.

How to calculate your PA's holiday entitlement

You pay your PA by the hour. For each hour they work they are entitled to 7 minutes 15 seconds of holiday time. You can calculate how much holiday time they are due for the year or what they have accrued to date by multiplying the number of hours by 12.07% (for the mathematicians, the calculation is $5.6 \text{ divided by } 46.4 = 12.0689$, rounded to 12.07)

How to calculate the rate of pay for each holiday hour

If you pay a standard hourly rate for each hour worked and do not pay a higher rate for overtime hours worked or a sleepover, your PA will receive their normal hourly rate for each holiday hour they take.

If you pay extra money for overtime or pay for sleepovers, we calculate an average hourly rate based upon the past 52 weeks worked. To do this we:

1. Add up all the gross pay paid in the last 52 weeks
2. Add up all the hours paid in the last 52 weeks
3. Divide the total gross pay received by the total hours worked.

Who keeps a tally of my PA's holiday?

- PayPartners will do this on your behalf. We run a holiday module on the payroll system which calculates the hours accrued according to the number of hours worked.
- We also keep a note of the pay received so we can calculate the average pay rate when holidays are taken.
- For this to work successfully you must let PayPartners know at payroll time if any holiday hours have been taken. We will process these accordingly and record the payment on your PA's payslip. We will also update their holiday balance.
- You can contact us at any time to enquire about your PA's holiday balance. Alternatively, all balances are shown on the PA's payslip each time a wage payment is processed.

Holiday Pay - some additional points to consider

- Your PA should always be encouraged to take their holiday hours at a time agreed with you. If you go away on holiday your PA should use their holiday hours to cover any lost pay as a result of being unable to work.
- Your PA should not take more holiday hours than they have accrued. At your discretion they may take up to, but no more than, the number of hours they would normally work in a week. You must inform PayPartners IN ADVANCE if you are going to allow your PA to do this. If you do not then we will only pay the hours they have accrued to date.
- You cannot pay your PA holiday hours on top of their normal wages without them having taken the time off.
- You cannot 'pay up' any untaken holiday hours at the end of the holiday year because your PA did not take all their entitlement.
- Your PA cannot 'roll over' any untaken holiday hours into their next holiday year. Any holiday hours that have not been used in the holiday year are lost and cancelled out unless there are exceptional circumstances.
- If your PA stops working for you part way through their holiday year, we will recalculate their holiday entitlement to the date they left and pay up any balance owed in their final pay. If they have overtaken their holiday hours we will deduct as much overpayment as we can. In these circumstances your PA may be left with little or no final payment.

HMRC

HMRC are the Government Department responsible for issuing Tax codes and receiving the Tax and National Insurance deductions from wages. Whilst PayPartners can offer you general advice on tax codes and tax, we are unable to deal specifically with details of how your PA's tax codes are calculated.

- Each time we process your pay-run we send a copy of the payroll data to HMRC under the RTI program. This fulfills your legal obligation.
- We will also keep a running total of any Tax and National Insurance deductions taken.
- For our Standard Account service, every 3 months (a "quarter" of a year) we will provide you with a P30 statement detailing the amount you need to pay to HMRC. This will provide detailed instructions on ways to pay HMRC.
- You must ensure that your payment reaches HMRC by the 19th of the month (22nd if paying on-line through your bank account).
- If there have been no Tax and National Insurance deductions in the quarter, PayPartners will advise HMRC directly. You will not be sent a statement.
- For our Managed Account service, you will not receive a statement. PayPartners will process and pay any money due to HMRC directly from the funds we hold on your behalf.

Quarter	P30 Statements issued	Covers pay periods	Payment to HMRC by
1	July	6 th April to 5 th July	19 th July
2	October	6 th July to 5 th October	19 th October
3	January	6 th October to 5 th January	19 th January
4	April	6 th January to 5 th April	19 th April

Employment Allowance

- Each year HMRC allows employers to claim a grant (employment allowance) for some of their National Insurance contributions. PayPartners will automatically apply for this on your behalf.
- PayPartners will take the employment allowance into account before issuing your quarterly HMRC statement.
- Unused employment allowance cannot be carried forward from one tax year to another.

Tax Year End

- At the end of the Tax year (5th April each year) PayPartners will file a final on-line statement to HMRC. This fulfills your legal obligation.
- PayPartners will issue forms P60 for any PA's who currently work for you. The deadline to do this is 31st May each year.
- If any PA stopped working for you during the tax year we will not issue them with a P60. Their P45 part 1A copy issued when they left becomes a substitute form P60.
- You must advise your PA that their P60 is an **EXTREMELY IMPORTANT DOCUMENT**. They must keep this safe for at least 3 years from when they receive it as HMRC or the DWP may require information which will only be available on their P60.

The start of the New Tax Year

- PayPartners will upgrade any tax codes instructed by HMRC on form P9X.
- PayPartners will process any individual forms P9 (advice of tax code) issued by HMRC.
- The busiest time for queries on tax codes will be the first time your PA is paid in the new tax year. This is mainly due to the code changes imposed by HMRC and the changes to the bands and rates imposed by the UK Government.
- Any PA that has a query on their tax code or tax at this time would be best advised to speak to HMRC directly on telephone number 0300 200 3300

Paying PayPartners for the work we do

- In certain circumstances your local authority may pay PayPartners directly for your payroll service. In these circumstances we will not contact you for payment.
- For everyone else we will issue an invoice for our service. We are VAT registered and all our invoices will have VAT added. This will be clearly shown.
- Settlement terms for invoices are stated within your contract. For the avoidance of doubt, please note it is a condition of our contract that invoices are paid before the next payroll run is due. We reserve the right to place your account on STOP and not process further payrolls where our service fees remain unpaid.
- Invoices will normally be issued in line with your payroll frequency i.e. every 4 weeks for 4-weekly paid PA's and every month for monthly paid PA's. They will detail our fee for the period.
- We accept payment by Standing Order or Direct Debit only.

Managed Account service only – payment of business supplier invoices

PayPartners treat payment of business supplier invoices differently to invoices from self-employed PA's.

To receive payment, business suppliers of all services and goods must provide you with an invoice. They must also adhere to the points listed below. Any invoices that do not so comply will not be paid.

PayPartners will check the service supply details on the invoice against your support plan. If they do not match, the invoice will not be paid.

PayPartners will check we hold sufficient funds on your behalf to pay the full amount on the invoice. If we do not, the invoice will not be paid.

- Any invoices raised in respect of a service or goods provided to you must state the suppliers name and or company name, their address and VAT number (if applicable).
- Any invoices raised in respect of a service or goods provided to you must state your full name and address.
- Their invoice must have a tax point date.
- Their invoice must have a unique invoice number.
- Their invoice must show details of the service or goods that have been provided. For example, the specific days the service was provided and the hours and bill rates.
- The full invoice value "Grand Total" must be clear and the addition must be correct.
- VAT, where applicable, should be calculated and included as part of the "Grand Total" invoice value.
- Their payment terms are stated.
- Invoices must be delivered directly to you for signature approval **before** they are forwarded to PayPartners for payment.
- Invoices received by PayPartners will be included on the next payment run and paid in accordance with the agreed payment terms.
- We run a bi-weekly schedule for payment of business supplier invoices. Invoices will not be paid outside of the official payment run.
- There will be no payment made to any supplier without an invoice.
- Invoices for work not yet completed will not be paid.
- Invoices will only be paid via BACS. The supplier will need to quote bank details in the name of the supplier, not their personal bank details.
- Suppliers must be aware that they are running their own business and any payments made outside of the stated terms will be at their own risk and you will not be responsible for bank charges incurred. For best practice, suppliers should issue you with a clear contract stating terms of payment.

Frequently Asked Questions

Q: I've submitted all the hours for my PA but have heard nothing from you.

Answer: Something may be wrong. Please contact PayPartners. It may be that your payslips have been delayed by Royal Mail (unfortunately outside of our control). We may be missing information, your hours/timesheet may have reached us too late to be included in the pay run or if you have a Managed Account there may be insufficient funds to pay your PA ('s).

Q: The wages have been paid but the hours are wrong.

Answer: Contact PayPartners. We may have misinterpreted your instructions. We can correct any mistakes and resend additional payslips and paperwork.

Q: The wages have been paid but the rate of pay is wrong.

Answer: Contact PayPartners. We record the rates of pay from the starter forms you submit for each PA. If you have amended their pay rate and not informed us we will have used the old pay rate. We can correct any mistakes and resend additional payslips and paperwork.

Q: The wages have been paid but you've taken too much Tax and or National Insurance from my PA.

Answer: Check with your PA that they have not received a new Tax code from HMRC. If they haven't, contact PayPartners. Has your PA reached state retirement age? Please forward an official document with their date of birth clearly visible. We will be able to advise on corrective/next course of action.

Q: My PA has a tax code query.

Answer: Your PA should contact HMRC who will speak with them directly. We are unable to call HMRC on your PA's behalf.

Q: My PA has been asking about holiday entitlements.

Answer: It's on their payslip! You and they can also work it out by referring to the section in this guide on holiday pay. Alternatively, you can contact PayPartners.

Q: I have not received my payslips or payroll information.

Answer: Contact PayPartners. We will advise if your payroll has been processed and if paperwork has been sent. We can arrange for duplicate paperwork to be sent.

Q: My PA has stopped working for me.

Answer: Contact PayPartners. We will need details of any final hours worked and the date they last worked for you. We will calculate their final wage payment on the next available payrun and prepare form P45.

Q: I've got no (or run out of) money to pay my PA.

Answer: Contact your Local Authority Direct Payments team. They will advise you.

Q: My PA needs a statement of earnings to back up a claim he/she is making. Can PayPartners provide him/her with a letter?

Answer: Your PA has received payslips each time they have been paid. These are their earnings statements and should suffice in all situations. If they do not, then PayPartners would be unable to write a letter because we are not the employer. You will have to give your PA any written statements they require.

Your Agreement with PayPartners - your copy

Terms Used

Client. The person who receives the Direct Payment for care needs.

Nominated Contact Person. The Clients appointed representative, in cases where the Client is under 18 or lacks capacity.

Standard Account service. PayPartners doesn't hold funding on behalf of the Client.

Managed Account service. PayPartners holds funding in a bank account on behalf of the Client.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:-

1. The Service

PayPartners Ltd will supply the Service to the Client or the Nominated Contact Person in the following manner

- 1.1 By calculating gross to net pay of the Clients employees by using
 - 1.1.1 notified employee salaries and/or hours worked for payment at an hourly rate.
 - 1.1.2 notified regular and/or ad-hoc payments to be added to pay for example overtime, bonus, holiday pay, sick pay, maternity pay etc.
 - 1.1.3 notified regular and/or ad-hoc deductions to be deducted from pay for example union fees, workwear costs etc.
 - 1.1.4 notified salary sacrifice deductions to be deducted from pay for example child care vouchers, cycle schemes etc.
 - 1.1.5 payroll software calculated statutory payments for sick and maternity etc.
 - 1.1.6 payroll software calculated statutory deductions for example tax and national insurance contributions.
 - 1.1.7 payroll software calculated regular and/or ad-hoc deductions for example court orders, child support orders.
 - 1.1.8 payroll software calculated pension contributions to the clients regulated auto enrolment pension scheme (NEST).
 - 1.1.9 Payroll software calculated processing, recording and payment of holiday absences.
- 1.2 Communication with HMRC via Real Time Information (RTI) as follows
 - 1.2.1 collection of tax code changes and notifications to employee data.
 - 1.2.2 filing of payroll starters and leavers.
 - 1.2.3 filing of full payroll run data on or before payday via Full Payment Submission (FPS) file.
 - 1.2.4 filing of no payroll due or reduction claims via Electronic Payment Submission (EPS) file.
- 1.3 Reporting on payroll calculations for **Standard Account service only** by offering comprehensive reports in respect of
 - 1.3.1 calculated payments.
 - 1.3.2 calculated deductions.

- 1.3.3 copy payslips.
- 1.3.4 monthly/quarterly HMRC P30 statements.
- 1.4 Reasonable assistance to the Client or Nominated Contact Person in dealing with any enquiries from
 - 1.4.1 HMRC in respect of the Clients PAYE account and only where form 64-8 is held allowing PayPartners authority.
 - 1.4.2 Department for Work and Pensions in respect of the Clients employees only.
 - 1.4.3 NEST Pensions in respect of the Clients pension scheme, opening & maintaining an account.
 - 1.4.4 The Pension Regulator in respect of the Clients pension scheme, reporting and filing of declaration of compliance reports.
 - 1.4.5 any other interested relevant third parties in respect of the Clients employees only.
 - 1.4.6 general payroll queries from either the Client or the Nominated Contact Person in respect of the Client's employees.
- 1.5 Communication with the Clients employees ONLY as follows
 - 1.5.1 Delivering of electronic payslips to each employee via a PIN protected e-mail or where no such e-mail facility exists then a paper payslip to the employee home address.
 - 1.5.2 Delivering of form P45 upon employee leaving via a PIN protected e-mail or where no such e-mail facility exists then a paper P45 to the employee home address.
 - 1.5.3 Delivering of form P60 at tax year end to each employee via a PIN protected e-mail or where no such e-mail facility exists then a paper P60 to the employee home address.
- 1.6 Payment of net salary/wages by either
 - 1.6.1 the BACS faster payment service for Clients who are accessing the service through a **Managed Account service**.
 - 1.6.2 issue of a net payment list for the Client to facilitate their own net pay arrangements for Clients who are accessing the service through a **Standard Account service**.
- 1.7 Pay over to (**Managed Account service only**)
 - 1.7.1 HMRC, for the tax and national insurance liabilities arising out of the payroll of the Client for the Managed Account service only. For the avoidance of doubt, the Client must ensure payments are made via their own means if using the **Standard Account service**.
 - 1.7.2 NEST pension, for the employee & employer contributions arising out of the payroll of the Client for the Managed Account service only. For the avoidance of doubt, the Client must ensure they have provided correct bank account details to PayPartners if using the **Standard Account service**.
 - 1.7.3 Any third party regular and/or ad-hoc deduction liabilities arising out of the payroll of the Client for the Managed Account service only. For the avoidance of doubt, the Client must ensure payments are made via your own means if using a **Standard Account service**.

- 1.8 PayPartners Ltd will operate the service on the authority of the Client or the Nominated Contact Person only and will not accept instructions or queries from any of the Clients other employees or any other third party.
- 1.9 Should payroll operations be disrupted for any reason, PayPartners Ltd will provide the Client or Nominated Contact Person with as full a service as possible. PayPartners Ltd will advise the Client or Nominated Contact Person of any such incidence and if there is to be an adverse effect to the service in accordance with our disaster recovery plan and policy.

2. Optional services

PayPartners Ltd will provide the following as part of the Service at the written option of the Client and in accordance with the charges in section 7 of this agreement.

- 2.1 Posting of payslips to home addresses via Royal Mail services.
- 2.2 A hard copy timesheet system for recording employee hours worked.
- 2.3 Any bespoke requirements of the Client in relation to the matters not covered in clause 1 above which are agreed to be provided by PayPartners Ltd.

3. The Client & Nominated Contact Person obligations

The Client or the Nominated Contact Person will promptly provide PayPartners Ltd with the following information in relation to each of the Clients employees and shall ensure that such information is kept accurate and up to date for payroll purposes.

- 3.1 All employee details necessary to enable payroll processing by PayPartners Ltd for example name, address, date of birth, national insurance number, bank details etc.
- 3.2 Details and information of hours worked and pay rates.
- 3.3 Details and information of regular/ad-hoc payments and rates.
- 3.4 Details and information of regular/ad-hoc deductions and rates.
- 3.5 Details and information of Holiday, sickness and parental pay absence periods that require payroll software calculated payments and/or statutory payments.
- 3.6 Details of any other payments and deductions (not covered in clause 1) to be made from gross or net pay.
- 3.7 A payroll contact name (the Client or a Nominated Contact Person) who are authorised to verify changes required to the initial information supplied.
- 3.8 Any other information reasonably requested by PayPartners Ltd to enable it to provide The Service.

4. Changes to information

- 4.1 PayPartners Ltd will supply the Client or Nominated Contact Person with a calendar of payroll dates for the forthcoming Tax Year and this will indicate dates on which the Client or Nominated Contact Person shall contact PayPartners Ltd with changes to the payroll information.
- 4.2. The Client or Nominated Contact Person agrees to ensure that any change to the information supplied under clause 3 will be given no later than 48 hours before the payroll run date is due.

- 4.3 For the avoidance of doubt, should the contact names change under clause 3.7 above and if PayPartners are not notified of the changes then any instructions will not be accepted from the Client or Nominated Contact Person in relation to any changes to the payroll during that period.

5. Verification of Data – Standard Account service only

- 5.1 It is the duty of the Client or the Nominated Contact Person to check the information contained on the payroll paperwork complies with the information supplied to PayPartners Ltd to calculate the wages due to the employees of the Client.
- 5.2 The Client or the Nominated Contact Person shall ensure that any payslips, payroll summary report and net payment report of each employee on the payroll are checked on receipt and authorised as correct and PayPartners Ltd will not be liable whatsoever in the event that such documents having been checked as correct and authorised by the Client or the Nominated Contact Person does not so comply.
- 5.3 The Client will inform PayPartners Ltd of any errors on the payroll reports upon receipt and PayPartners Ltd will promptly remedy such errors. Any errors reported after that time will be the responsibility of the Client to deal with their employees and such errors will be corrected on the next period payroll run.
- 5.4 The Client or Nominated Contact Person is responsible for making all payments to their employees and HMRC and any other third parties who are due to receive any deductions from net pay or any other payroll related deductions.

6. Virus-free information

- 6.1 The Client shall through reasonable commercial efforts attempt to supply to PayPartners Ltd information by way of information technology/computer transfer that is virus free. Acceptable supply is
- 6.1.1 E-mail. All e-mail to PayPartners Ltd is virus checked by Mailguard. It is the Clients responsibility to ensure all information submitted is within the file limit of 10MB and delivery and/or read receipts are monitored and checked for successful transmission.
- 6.1.2 Forms via PayPartners Ltd website and/or issued by PayPartners Ltd on selected third party software.
- 6.1.3 Online portal service.
- 6.2 PayPartners Ltd will not be liable whatsoever in the event that the information supplied does not reach the intended recipient(s) through no fault of PayPartners Ltd.

7. Price/Payment terms

- 7.1 PayPartners Ltd will charge the Client in accordance with the relevant service taken up and in accordance with the rate as set by said Local Authority in the Clients jurisdiction.
- 7.2 All rates charged are subject to annual review from 1st April each year.
- 7.3 PayPartners Ltd will raise an invoice each month for the fees referred to in clause 7.1 which shall be payable by the Client or Nominated Contact Person or the Local Authority within 7 days of having been raised by PayPartners Ltd.

- 7.4 If the invoices referred to in 7.1 are not paid within the 7 day period PayPartners Ltd will be under no obligation to provide the Service for the Client or Nominated Contact Person in relation to the next payroll run due and for the avoidance of doubt PayPartners Ltd will not be liable for any loss suffered by the Client or Nominated Contact Person as a result of any failure to process the payroll in these circumstances.
- 7.5 Without prejudice to any of its other rights (including its rights under clause 7.4 above), in the event of any delay by the Client or Nominated Contact Person in the payment of the fees due to PayPartners Ltd under this agreement, PayPartners Ltd shall be entitled to demand that the Client or Nominated Contact Person shall pay interest on such outstanding fees, calculated on a daily basis (after as well as before judgment) at the annual rate of [7.5%], from the due date until (and including) the date of actual payment.

8. Confidentiality

- 8.1 PayPartners Ltd will treat as confidential the information supplied by the Client or the Nominated Contact Person for the purpose of The Service.
- 8.2 PayPartners Ltd will however be entitled by applicable law, to reveal such information as necessary to HMRC, Department for Work & Pensions, Child Support Agency or its equivalent or any other authorised third parties.
- 8.3 The Client or Nominated Contact Person will treat as confidential any paperwork or communication received from PayPartners Ltd and not divulge its contents to any other third party without the permission of PayPartners Ltd.

9. Termination

- 9.1 Either party shall be entitled to immediately terminate this agreement by notice in writing in the following circumstances
- 9.1.1 If the other party is in material breach of the terms of this Agreement and the breach is not remedied within 14 days of written notice or is not capable of remedy.
- 9.1.2 If the other party moves residence into another area of the UK not covered by PayPartners Ltd services.
- 9.1.3 If the other party goes into residential care.
- 9.1.4 Upon death of the other party.
- 9.2 On termination of this agreement
- 9.2.1 the Service (and any additional agreed services) provided by PayPartners Ltd shall immediately cease.
- 9.2.2 all provisions of this agreement shall cease to have effect, except that any provision which can reasonably be inferred as continuing or is expressly stated to continue shall continue in full force and effect.

10. Notices

- 10.1 Any notice or other communication required to be given to the Client or Nominated Contact Person under this agreement shall be transmitted to the last notified address of the Client.
- 10.2 Any notice or other communication required to be given to PayPartners Ltd under this agreement shall be sent to: PayPartners Ltd, Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP.
- 10.3 Any notice of other communication shall be deemed to have been served if sent by post upon the expiration of 3 days from posting or if sent by direct transmission e-mail or hand at the time of sending.

11. Complaints procedure

- 11.1 PayPartners Ltd operates a complaints procedure details of which are outlined in Appendix A of this agreement which the Client or Nominated Contact Person undertakes to comply with in the event of any complaints in respect of The Service or PayPartners Ltd.

12. General

- 12.1 Any individual paid by PayPartners Ltd under this agreement is not an employee of PayPartners Ltd and any and all such individuals are under the supervision, direction and control of the Client or Nominated Contact Person and as such are deemed to be the employees of the Client.
- 12.2 The Client or Nominated Contact Person shall indemnify and keep indemnified PayPartners Ltd on demand (during or after this agreement) from and against any and all actions, claims, proceedings and demands (of whatsoever nature or kind) as well as from and against all damages, liabilities, losses, costs, charges, penalties, fines, and expenses (including reasonable legal fees), arising out of: (i) any employee of the Client asserting himself or herself to be an employee of PayPartners Ltd; and (ii) any calling to account by HMRC or any other third parties for any tax contributions, interest and/or penalties and/or any other matter requiring payment to a third party in relation to this agreement.
- 12.3 If any provision of this agreement is held to be invalid or unenforceable in whole or in part, the validity of the other provisions of this agreement and the remainder of the provision in question shall not be affected thereby.
- 12.4 Any dispute arising under or in connection with this agreement or as to the rights and liabilities of PayPartners Ltd and the Client or Nominated Contact Person under it shall be settled by an amicable effort on the part of PayPartners Ltd and the Client or Nominated Contact Person (including, if necessary, referral to each party's Chief Executive or Managing Director or equivalent), but in the event that such attempts fail to settle the matter, if mutually agreed by the parties, the dispute shall be referred to mediation by a single mediator appointed by agreement between the parties and in default on the application of either PayPartners Ltd or the Client or Nominated Contact Person, to the President for the time being of the Law Society.

- 12.5 A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement but this does not affect any right or remedy of a third party which exists or is available apart from under such Act.
- 12.6 To the maximum extent permitted by applicable law, PayPartners Ltd excludes any and all responsibility and liability for any (i) damage to or loss of data, (ii) damage or loss in respect of periods when the Service is not operational for any reason, (iii) damage, acts, omissions, events or other circumstances that occur outside of PayPartners Ltd's reasonable control, (iv) loss of profit, anticipated profits, revenues, anticipated savings, goodwill or business opportunity and (v) indirect or consequential loss.
- 12.7 Subject to applicable laws, PayPartners Ltd aggregate liability in respect of claims based on events in any calendar year arising out of or in connection with The Service (or otherwise in connection with this agreement), whether in contract or tort (including negligence) or otherwise, shall in no circumstances exceed the total fees paid by the Service User to PayPartners Ltd pursuant to this agreement in that calendar year.
- 12.8 This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and replaces all prior agreements and understanding.
- 12.9 This Agreement shall be governed by the laws of England and shall be subject to the exclusive jurisdiction of the English Courts.

Both the Service User and Pay Partners hold the signatures of both parties to this agreement in the application pack. PayPartners copy is held on file at their registered office.

Appendix A - Customer Complaints Procedure

PayPartners Ltd recognises that complaints may be made against the company or an individual employee of the company from customers of our service. We believe that it is in the best interest of all concerned that there are formal procedures for dealing with any such issues.

Complaints should be put in writing to the Director of PayPartners Ltd. Our address is: PayPartners Ltd, Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP. Our e-mail address is: payroll@pay-partners.co.uk

The Director will acknowledge the complaint in writing and within 5 working days of receipt an investigation will begin.

Investigatory meetings will be set up with the parties concerned and all relevant information will be gathered. The results of any investigations will be formally written up within 7 working days of the investigations being completed.

Should the complaint not be resolved by the Director of PayPartners then it will be passed to the Managing Director of Kinetic plc the holding company of PayPartners Ltd.

From the evidence gathered, the Managing Director will make a decision within 14 working days as to the outcome, and in line with PayPartners disciplinary procedure. Any decisions will be communicated in writing.