



Service User Information Booklet

Standard Direct Payments for

- Self Directed Support
- Personal Budget Service Users

Managed Accounts

**Please keep this booklet for your
reference.**

DO NOT RETURN TO PayPartners

www.pay-partners.co.uk

Hello.....!

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

We offer two types of service. Our **STANDARD** & **SDS** services are for clients who control their own funding our **MANAGED ACCOUNT** service is for clients where PayPartners manage the funding.

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

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

Our opening hours are Monday to Friday 8.30 am until 5.00 pm

Please note we are closed on Bank Holidays.

We are here to help and advise you and can be contacted in any of the following ways.

Telephone: 0800 515620 or 0161 667 3650

PayPartners has a fully automated telephone system and you will be guided through a few options so you can leave a message or hold for an operator. Any messages left on a normal working day will be listened to and processed within 24 hours.

E-mail: payroll@pay-partners.co.uk

We positively encourage service users to contact us by e-mail. If you e-mail us we will reply to you using e-mail. A template of all our standard forms can be e-mailed to you in Microsoft Word format should you wish to send details via e-mail.

Post: PayPartners Ltd, Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP

Good old fashioned post with a stamp on the envelope!

In addition to payroll processing we also offer a general advice service for all payroll related matters. Just contact us by using any of the above methods.

PayPartners employees are members of the Chartered Institute of Payroll Professionals and you can rely upon the advice we give you in relation to payroll procedures and law. Our sister company Exact HR can offer you expert and professional contract and employment law advice. They can be contacted on 0161 874 1611. Please mention PayPartners when you call. Please note that there is a separate charge for this service.

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:

- Maintain identification procedures for clients and beneficial owners of clients
- Maintain records of identification evidence and the work undertaken for the client, and
- Report, in accordance with the relevant legislation and regulations

We have a statutory obligation under the above 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. In fulfilment of our legal obligations, neither PayPartners Directors, Managers or staff may enter into any correspondence or discussions with you regarding such matters.

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 my team immediately.

Should you be dissatisfied with any aspect of our service, we have a complaints procedure. The details are in appendix B in your agreement. Please address all correspondence to the Business Manager.

Your PayPartners team are

- Stephen Moreton – Business Manager
- Tracy Scholes - Supervisor
- Maureen Smith
- Louise Dunlop
- Jeanette Muir
- Tara O’Toole (DD collections & Credit Control)

The PayPartners Payroll Service

- PayPartners Payroll Bureau has been established since 2004 and we are specialist providers of payroll services to Local Authority Direct Payment/Self Directed Support/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).
- Once you have completed the application pack paperwork and returned the requested documents back to us the payroll service can commence.
- We would draw your attention to the sample workflow in appendix A in your agreement and to the payroll processing calendar you should have already received.
- Where possible we do ask that you notify us earlier than the dates shown on the payroll processing calendar.
- During peak periods there is an answer machine in operation where you can leave details of the hours worked by your PA.
- We find that once a pay frequency and payday is set it is normal practice to stick to this arrangement for the whole of the tax year ahead.

Our step by step payroll service is as easy as we can make it for you...

Step	Standard/SDS Service	Managed Account Service
1	You contact PayPartners with the hours worked by your PA	You contact PayPartners with the hours worked by your PA
2	PayPartners process your payroll and complete your HMRC filing obligations	PayPartners process your payroll and complete your HMRC filing obligations
3	PayPartners send you a payslip for your PA and other paperwork for your records	PayPartners send a payslip directly to your PA
4	You organise payment to your PA and hand them their payslip	PayPartners pay your PA directly into their bank account
5	Every 3 months PayPartners issue you with a statement so you can pay your HMRC liabilities	Every 3 months PayPartners calculate your HMRC liability and pay this directly into their bank account
6	At Year End PayPartners complete your HMRC filing obligations and issue you with a P60 to be handed to your PA	At Year End PayPartners complete your HMRC filing obligations and issue P60's for your PA's

Informing PayPartners of hours worked

In all cases we require you 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 that you do this to ensure:**

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

You will have to either personally call, e-mail, fax or submit a signed and dated timesheet depending on the arrangement with your local council.

Your payroll is calculated 'in arrears'. This means that your PA is paid for the hours they have worked in the weeks leading up to the period end date. This is not the same as a 'week in hand' arrangement.

You cannot submit hours for your PA in advance of work being completed.

All pay periods start on Monday and end on Sunday. You need to record the hours worked by your PA each day and at the end of the period notify PayPartners of the following information:

- The names of your PA's and the hours they have worked
- The pay rate for each of your PA's
- Any extra payments that we need to know about such as sleepover or overtime hours etc.
- Any advances of pay that you may have given your PA's during the pay period
- Any holiday hours that have been taken

When leaving hours on our answerphone service be sure to leave your contact details so we can call you back if we have a query.

Increasingly a number of our service users are notifying us of hours worked by e-mail. Our e-mail address is payroll@pay-partners.co.uk Please ensure you quote all the details previously mentioned.

Late notification of hours worked

We appreciate that sometimes there may be circumstances where you may not be able to notify us of your PA's hours at the correct time for payroll processing. On our 4-weekly and monthly payroll services we always process a second payrun to ensure that hours received after the first deadline can be included in the period's pay run.

The second run is usually ONE WEEK after the main run so your PA will have a delay in receiving their payslip & wages. If we have not received your hours by the deadline for the second payrun then your PA's hours will not be processed until 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.

The payroll process

A timetabled process...

- With a small exception as we do not issue timetables for weekly pay frequencies! You simply contact us after the week has been worked with the hours worked by your PA.
- We do issue timetables for 4-weekly and monthly pay frequencies and they are there to guide you to enable on-time payments to your PA.
- We would appreciate that you follow the deadline dates to ensure that we can provide you with the best possible service.
- The weekly and 4-weekly payrolls are processed on Mondays and Tuesdays and calculated and finalised on Wednesday with pay-days falling on Friday.
- The monthly payroll is paid on the last working day of the month (the payday varies each month). We process and calculate the payroll on the preceding 5 working days prior to the payday.
- We do process a further pay-run for 4-weekly and monthly payrolls however this can be up to ONE WEEK after the first payrun and your PA could suffer as a result 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 or two 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 because each year contains 52 weeks and 1 day. We will advise you when we have to run an extra week. Where this is the case, weekly paid PA's will have a 53 week Tax year and 4-weekly paid PA's will have 5 weeks in their final pay period instead of 4.
- 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.

PA's who commence working for you

- The minimum age to work as a PA is 16 years.
- There is no maximum age as long as the person being employed is physically fit and able to perform the tasks you require them to do.
- You should not generally 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.
- You must inform PayPartners immediately if a new PA starts working for you.
- In your application pack we included 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 directly. Please contact us and we will organise for some to be sent in the post or e-mailed to you.
- Completed starter forms and Tax declaration (including any form P45 handed to you) should be sent to PayPartners as soon as your PA starts working for you. Any delay could 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.
- On the next available payrun we will calculate their final hours and process any unpaid 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. This must be given to your ex PA as soon as possible so they can hand it into their next employer.
- As part of our housekeeping process PayPartners regularly sweeps the payroll records by archiving and issuing forms P45 to any PA that has not worked for 8 weeks. It may be that you have forgotten to inform us they had stopped working for you or you only use the services of a PA from time to time. If this is the case, when the PA returns back to work for you send the P45 back to PayPartners. You will not need to complete a starter form as we will simply reinstate the record back onto the payroll from the archive.

PA's that '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 on the internet. Search on the Gov.UK website for 'self cert sick note'
- After 7 Days they must see a GP who will give them a fit note. A fit note will either declare that the person is unfit for work or fit for work if the duties are modified or there is a phased return to work by agreement between the employee and employer.
- You must send any self-certification sick notes and/or fit notes to PayPartners as they are received.
- PayPartners will assess and advise you if your PA can be paid Statutory Sick Pay (SSP).
- 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. Under the SSP scheme they can be paid for a maximum of 140 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.
- In certain cases you will 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 cases 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.
- Your PA is entitled to 52 weeks maternity leave and you will have to pay them for the first 39 weeks. You will be able to recover most of the SMP you pay to your PA.

- 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 cases you will not have to pay any SMP to your PA. There are several reasons why, for example they might not earn enough with you. In these cases 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 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 cases their SMP with you will end.
- There are numerous rules and regulations for SMP. Further information can be found on the internet at Gov.UK and searching for maternity pay.

Court orders

- 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.
- 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 or SDS account PayPartners will advise you each pay period of the amount you should pay to the Court.
- If you are on a managed account PayPartners will make the payment for you.

Income Tax

- Everyone is subject to pay income Tax once their personal allowances have been used. Personal allowances are usually updated each year and vary according to age.
- Comprehensive details on personal allowances and Tax rates for Employers and PA's can be found on-line at www.gov.uk/government/organisations/hm-revenue-customs
- Any Tax form (or substitute) your PA hands to you must be forwarded to PayPartners. This will ensure that you 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 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 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 they 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 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 they are due can vary each time.**

Effect of Tax & National Insurance on late notification of hours.

- This is especially relevant at Tax year end.
- If you have notified PayPartners of your PA's hours after both deadlines for the pay run, or have missed several payruns then there are consequences for your PA.
- They will pay MORE Tax and National Insurance once the year end has 'rolled' into the new Tax year.
- The payments 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 for the current 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 credit/benefit payments.

HMRC

HMRC are the Government Department responsible for issuing Tax codes and collecting 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.
- Every 3 months for Standard & SDS accounts we will send you a statement detailing the amount you need to pay to HMRC. We 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).

Quarter	Month	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

- 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.
- Managed Accounts will not receive a statement. PayPartners will process and pay to HMRC any money due.

Employers Allowance

- Every year, HMRC allows employers to claim an amount for their National Insurance contributions.
- PayPartners will take this into account before issuing your quarterly statement.
- Unused allowance cannot be carried forward into the next Tax year.

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. Our deadline to do this is 31st May each year.
- If any PA stopped working for you during the Tax year we will not issue a form P60. Their P45 part 1A copy becomes a substitute form P60.
- You must advise your PA that form 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.
- We will upgrade any Tax codes instructed by HMRC on form P9X.
- We will process any individual forms P9 (advice of Tax code) issued by HMRC.
- The biggest 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 Government.
- Any PA that has a query on their Tax code or Tax at this time would be best to speak to HMRC directly on telephone number 0300 200 3300

Paying PayPartners for the work we do

- In certain cases your local authority may pay PayPartners directly for your payroll service. In these cases we will not contact you for payment.
- In all other cases 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.
- 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.
- Please note that it is a condition of our contract that invoices are paid before the next payroll run is due.

- We accept payment by personal cheque or over the telephone by debit/credit card. You can also pay by Standing Order.
- We reserve the right to place your account on STOP and not process further payrolls where our service fees remain unpaid.
- PayPartners can collect payment for the work we do using Direct Debit. If you sign up to this payment method you will be issued with an invoice each time we process your payroll and this will detail the date when we will collect our fee.
- If you want to switch to direct debit please contact PayPartners for a direct debit mandate form.
- Direct Debit is a quick and easy way to make payment to PayPartners. Any payments made to us using this method are covered by the Direct Debit Guarantee.



If you have to pay a personal contribution to your managed account

- In certain cases, your personal budget will need to be topped up by your own 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 contribution to your budget PayPartners will collect this from you using Direct Debit. Please contact PayPartners who will assist you.
- Personal contributions form part of your direct payments package. If PayPartners are aware that you have to contribute and you do not pay then PayPartners will chase you for payment.
- We reserve the right to put a stop on all 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 Local Authority IMMEDIATELY.

Holidays

- 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 weeks + 5.6 weeks = 52 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 divided by 46.4 = 12.0689, rounded to 12.07)

Example 1

Your PA works 16 hours per week, and you want to calculate their yearly holiday entitlement.

Answer: $16 \times 46.4 \times 12.07\% = 89.6$, rounded to give 90 hours holiday per year (any decimal places should always be rounded up.)

Example 2

Your PA has worked 75 hours so far in this holiday year and you want to calculate how many hours holiday they have accrued to date.

Answer: $75 \times 12.07\% = 9.0525$, rounded to give 9 hours holiday accrued so far.

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 12 weeks worked. To do this we:

1. Add up all the gross pay paid in the last 12 weeks
2. Add up all the hours paid in the last 12 weeks
3. Divide the total gross pay received by the total hours worked.

Example 1

In the past 12 weeks your PA has worked (we are using pay frequency 4-weekly in this example)

Payslip 1, 50 hours @ £8.00 per hour = £400.00

Payslip 2, 45 hours @ £8.00 per hour = £360.00

Payslip 3, 10 hours @ £8.00 per hour = £80.00

Add up £400 + £360 + £80 = £840.00

Add up 50 hours + 45 hours + 10 hours = 105 hours

Divide £840 by 105 hours = £8.00 per hour

Example 2

In the past 12 weeks your PA has worked (and again we are using in this example pay frequency 4-weekly)

Payslip 1, 50 hours @ £8.00 per hour plus 10 hours @ £12.00 per hour = £520.00

Payslip 2, 45 hours @ £8.00 per hour plus 5 hours @ £16.00 per hour = £440.00

Payslip 3, 10 hours @ £8.00 per hour plus 1 sleepover @ £40.00 = £120.00

Add up £520 + £440 + £120 = £1080

Add up 60 hours + 50 hours + 10 hours + 1 unit = 120 hours +1 (=121)

Divide £1080 by 121 = 8.9256 = £8.93 per hour

Who keeps a tally of how many hours my PA is entitled to and how many hours they have taken so far?

- 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 balances.
- 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.

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.

Auto Enrolment Pensions



Workplace pensions – we're all in!

- 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
- Small employers similar to you, and in operation prior to October 2017, will have to start offering a workplace pension during 2016, 2017 & 2018 depending on their staging date. The staging date is determined by reference to the issued PAYE reference number and is fixed by the Pensions Regulator.
- **From October 2017 any new employers** will offer a workplace pension immediately. There will be no staging date.
- **All employees aged 22 or over and up to state pension age who earn more than £10,000 per year** (£113 per week or £866 per month correct for 2017 -18 Tax year) **will be auto enrolled for pension.**
- All employees aged 16 to 21 or from state pension age to 75 years must be advised there is a pension scheme and can join it if they want to.
- All employees who earn less than £10,000 per year can opt in (join) the pension scheme if they want to.
- There is no choice for you not to offer a pension scheme if you employ a PA that qualifies to be auto enrolled.
- Your PA has a choice once enrolled to opt out. If they opt out within one month of enrolling they will be entitled to their contribution back. If they opt out after one month, they will not get their contributions back.

- Initial rates for pension are:

Timeline	Total Pension Contribution	Of which Employee Contribution	Of which Employer Contribution
Up to March 2018	2%	1%	1%
April 2018	5%	3%	2%
April 2019 onwards	8%	5%	3%

Pension Scheme

- PayPartners will use NEST Pensions to fulfil 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 made directly to the NEST website.
- 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.
- If you have a Managed Account the contributions will be collected from PayPartners bank account.

The Pensions Regulator

- The Government department responsible for workplace pensions is The Pensions Regulator www.thepensionsregulator.gov.uk

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 every employer must file a Declaration of Compliance irrespective of whether or not you have a pension scheme or any PA's to enroll. This has to be done 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.
- Every THREE years you must re-file a Declaration of Compliance to the Pensions Regulator to show you are still operating within the law. This also has to be done on-line & PayPartners can complete this for you.

PA's who work for you on a self-employed basis, or Care Agencies or other suppliers you engage to provide a service for you Care! You must seek advice from your Council before you engage the services of a PA who asks to be paid on a self-employed basis.

There are a number of HRMC 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, nor are they entitled to join your pension scheme. They must also show you their company and or personal insurance liability documents, and you must satisfy you they are adequately covered to work in your home.

To receive payment from you, suppliers of all services and goods need to be aware of the following requirements where an invoice will be presented for payment. **You must inform them of the following:**

- Any invoices raised in respect of a service or goods provided to you must state their company trading name, 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.
- The invoice must have a tax point date.
- The invoice must have a unique invoice number.
- The invoice must show details of the service or goods that have been provided along with any hours and bill rates.
- The full invoice value must show a clear total and addition must be correct.
- VAT, where applicable, is calculated and included as part of the total invoice value.
- 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.
- PayPartners process a payment run each Friday, money is made available by Wednesday of the following week or earlier if possible.
- 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 (and not their personal bank details unless a self-employed PA).
- Suppliers/self-employed PA's 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 ('s) 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 paper work 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.

Useful Contact details

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.

Your Agreement with PayPartners - Your Copy

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:-

1. The Service

PayPartners Ltd will supply the Service (as set out in clauses 1.1 and 1.2 below) to the Service User in the following manner and as outlined in Appendix A at the end of this agreement:

- 1.1 By calculating gross to net pay of the Service User's employees (in all cases as notified by the Service User), by processing as follows: -
 - 1.1.1 employee hours
 - 1.1.2 any ad-hoc payments to be made e.g. overtime, bonus
 - 1.1.3 statutory payments for sickness, maternity, adoption and paternity leave
 - 1.1.4 holiday payments
 - 1.1.5 tax and national insurance deductions
 - 1.1.6 any other deductions e.g. pension, court orders, child support
- 1.2 Reasonable assistance to the Service User with dealing with any enquiries from HMRC in respect of the Service User's employees only as follows:
 - 1.2.1 year-end electronic communication with HMRC (filing for tax year-end returns)
 - 1.2.2 preparation of quarterly HMRC pay-over summary
- 1.3 PayPartners Ltd will operate the Service on the authority of the Service User or their appointed representative, and will not accept instructions from any other third party

2. Optional services

PayPartners Ltd will provide the following as part of the Service at the written option of the Service User:

- 2.1 A PIN number security system
- 2.2 A hard copy timesheet system for recording hours worked
- 2.3 Any bespoke requirements of the Service User in relation to the matters not covered in clause 1 above which are agreed to be provided by PayPartners Ltd
- 2.4 A dedicated payroll contact

3. Service User's obligations

The Service User will promptly provide PayPartners Ltd with the following written information in relation to each of their employee(s) and shall ensure that such information is kept accurate and up to date:

- 3.1 All employee details necessary to enable payroll processing by PayPartners Ltd e.g. name, address, national insurance number
- 3.2 Details and information of hours worked
- 3.3 Rates of pay and/or gross pay
- 3.4 Holiday, sickness, maternity, paternity, and adoption absence periods
- 3.5 Any other deductions (not covered in clause 1) to be made from net pay
- 3.6 Any other information reasonably requested by PayPartners Ltd to enable it to provide the Service

4. Verification of Data

- 4.1 The Service User shall ensure that the payslips, payroll summary report and cheque summary of each employee are correct at all times and PayPartners Ltd will not be liable whatsoever in the event that such documents are not correct
- 4.2 It is the duty of the Service User to check that the information contained on payroll paperwork complies with the information supplied to PayPartners Ltd to calculate the wages due to the employees of the Service User and PayPartners Ltd will not be liable whatsoever in the event that the information supplied to PayPartners Ltd by the Service User does not so comply
- 4.3 The Service User will ensure that:
 - 4.3.1 The number of transactions matches the number of employees to be paid
 - 4.3.2 The total value of the payments equates to the wages due to the employees for the period involved
 - 4.3.3 Each payment is correct after taking into account any bonus/overtime/holiday payments and is not otherwise in excess of the normal wages due
- 4.4 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 Service User and as such, are deemed to be the employees of the Service User
- 4.5 The Service User is responsible for making all payments to their employees, HMRC and any other third parties who are due to receive any deductions from net pay or any other payroll related deductions
- 4.6 The Service User 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 Service User 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

5. Changes to information

5.1 The Service User shall ensure that any change to the information supplied under clause 3 above will be given to PayPartners Ltd as soon as practicable but in any event no later than 24 hours before the payroll run is due

6. Virus-free information

6.1 The Service User shall ensure that all information supplied to PayPartners Ltd by way of information technology/computer transfer is virus free

7. Price/Payment terms

7.1 PayPartners Ltd will charge the Service User in accordance with the relevant service taken up

	<u>Standard Account</u> (Paid by the council)	<u>SDS Personal Budget Account</u> (Paid by You)	<u>Managed Account</u> (Debited out of held funds)
7.1.1 Service Fee (per annum)	N/A	£60.00	N/A
7.1.2 Managed Fee (per month)	N/A	N/A	£28.00
7.1.3 "Weekly" Payroll Fee (per payslip)	£2.10	£2.50	No further charge - covered in Managed Fee
7.1.4 "4- Weekly" Payroll Fee (per payslip)	£8.40	£3.50	

	<u>Standard Account</u> (Paid by the council)	<u>SDS Personal Budget Account</u> (Paid by You)	<u>Managed Account</u> (Debited out of held funds)
7.1.5 "Monthly" Payroll Fee (per payslip)	£9.10	£3.50	No further charge covered in Managed Fee
7.1.6 Year End Processing Fee	£2.10	£15.00	
7.1.7 Auto Enrolment Fees	£1.00 per enrolled PA per pay period		
	£10.00 NEST set up fee		
	£10.00 Declaration of Compliance filing fee		
7.1.8 TPP Admin Fee	£5.00	£5.00	£5.00
7.1.9 Stat Funding Fee	£25.00	£25.00	£25.00
7.1.10 Earlier Year Update & P60 Adj Fee	£50.00	£50.00	£50.00

All the above prices will have VAT added at the prevailing rate

- 7.2 PayPartners Ltd will raise an invoice each month for the fees referred to in clause 7.1, which invoices shall be payable by the Service User (or the council where indicated) within 7 days of having been raised by PayPartners Ltd.
- 7.3 If the invoices referred to in 7.2 above are not paid within the 7 day period, PayPartners Ltd will be under no obligation to provide the Service for the Service User 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 Service User as a result of any failure to process the payroll in these circumstances
- 7.4 Without prejudice to any of its other rights (including its rights under clause 7.3 above), in the event of any delay by the Service User in the payment of the fees due to PayPartners Ltd under this agreement, PayPartners Ltd shall be entitled to demand that the Service User shall pay interest on such outstanding fees, calculated on a daily basis (after as well as before judgment) at the annual rate of [6%], 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 Service User 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, The Benefits Agency or Child Support Agency or its equivalent or any other authorised third parties
- 8.3 At the reasonable request of the Service User, PayPartners Ltd will also disclose the necessary information to any third party requiring such information which, by way of example, may include trades unions and private health care suppliers, provided that PayPartners Ltd shall not be liable in respect of any such disclosure

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 becomes subject to an Administration Order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction)
- 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 by the Service User under this agreement shall be transmitted to the last notified address of the Service User
- 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 (i.e. delivered by hand), at the time of sending

11. Complaints procedure

- 11.1 PayPartners Ltd operates a complaints procedure, details of which are outlined in Appendix B of this agreement, which the Service User undertakes to comply with in the event of any complaints in respect of the Service or PayPartners Ltd

12. General

- 12.1 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
- 12.2 Any dispute arising under or in connection with this agreement or as to the rights and liabilities of PayPartners Ltd and the Service User under it shall be settled by an amicable effort on the part of PayPartners Ltd and the Service User (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 Service User to the President for the time being of the Law Society
- 12.3 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
- 12.4 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

- 12.5 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
- 12.6 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
- 12.7 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. PayPartners copy is held on file at their registered office.

Appendix A - Typical Payroll Period Process

Weekly and 4-Weekly payroll

Weekly payroll is processed 52 times per year
 4-Weekly payroll is processed 13 times per year

Day	Process
Monday All Day	Hours to be telephoned/faxed/e-mailed OR completed timesheets to be sent to PayPartners who will collate the information for input onto the payroll system.
Tuesday All Day	Hours to be telephoned/faxed/e-mailed OR completed timesheets to be sent to PayPartners who will collate the information for input onto the payroll system.
Wednesday (Cut off 10 am)	The payroll is calculated and paperwork released in evening post to Service User.
Thursday	Service Users receive payslip & reports in post to be able to make payment to the PA.
Friday*	Payday! No payroll processing takes place as the payroll software is updated for next payrun.

Monthly payroll

Monthly payroll is processed 12 times per year

Day	Process
Last Working Day of the month less 4 days	Hours to be telephoned/faxed/e-mailed OR completed timesheets to be sent to PayPartners who will collate the information for input onto the payroll system.
Last Working Day of the month less 3 days	Hours to be telephoned/faxed/e-mailed OR completed timesheets to be sent to PayPartners who will collate the information for input onto the payroll system.
Last Working Day of the month less 2 days	The payroll is calculated and paperwork released in evening post to Service User.
Last Working Day of the month less 1 day	Service Users receive payslip & reports in post to be able to make payment to the PA.
Last Working Day of the month*	Payday! No payroll processing takes place as the payroll software is updated for next payrun.

- A full year calendar for 4-weekly and monthly payroll is available from PayPartners. Please ask for a copy.
- *Where Bank Holidays occur this may alter slightly

Appendix B - Customer Complaints Procedure

PayPartners Ltd recognises that complaints may be made against the company or an individual employee 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.

Any letters/phone calls/emails or other correspondence of complaint should be sent immediately and addressed to the Business Manager at our usual address.

Our address is: PayPartners Ltd, Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP.

Our telephone number is: 0161 667 3650

Our e-mail address is: payroll@pay-partners.co.uk

The Business Manager 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 Business Manager then it will be passed to the Managing Director of Kinetic plc, the parent 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.

PayPartners

**PayPartners Ltd, Lancastrian Office Centre, Talbot
Road, Stretford, Manchester M32 0FP**

Tel: 0161 667 3650 Freephone: 0800 515 620

E-mail: payroll@pay-partners.co.uk

www.pay-partners.co.uk