

Payroll & Managed Account Information Booklet

**A guide for people with a managed account and/or payroll
with IBK Initiatives**

www.ibkinitiatives.com

About IBK Payroll & Account Management Support

IBK Payroll & Account Management Support was established in 2004 in response to requests from disabled people and their families. We are specialist providers of payroll & Account Management support to people using a Local Authority Direct Payment and/or a Personal Health Budget in Sheffield. IBK is a small not for profit agency offering professional & friendly payroll support.

IBK can help you manage your Direct Payment by:

1. Our **Payroll** service: this is for clients who control their own funding & pay their own staff. This means we process your payroll, and you pay your PAs.
2. Our **Managed Account** service is for clients where IBK Initiatives manage the funding. This means we make payments on your behalf. These payments may include paying your PAs and/or paying invoices from support providers on your behalf.

We can also help you with the **recruitment** of your Personal Assistant(s). Please get in touch if you would like more information about this.

Getting in touch

Our office opening hours are Monday to Friday 9.00 am until 4.00 pm
(Please note we are closed on Bank Holidays.)

Telephone: 0114 478 6000

If we are busy, please leave a message and we will get back to you as soon as possible.

E-mail: payroll@ibkinitiatives.com
finance@ibkinitiatives.com

Our offices are at: St Mary's Community Centre, Bramall Lane, Sheffield, S2 4QZ

Your IBK team are:

- Sue Straw – Director of Operations
- Katie Milner – Payroll & Finance Officer
- Ian Johnson – Office Administrator & Accounts Manager
- Kath Dermott – Payroll Officer & Direct Payments Co-ordinator
- Vicky Hyde – PA recruitment & Befriending
- Kate Randerson – PA recruitment

First meeting

Whether you choose to have support with payroll only or payroll and a managed account, we will get in touch with you by phone to fill in the initial paperwork and to help you understand the payroll process. It can seem complicated when you first start, but we promise you that when you have completed 2 or 3 payroll cycles, it begins to feel easier.

Once we have completed the initial paperwork and have gathered all the information we need, the payroll service can commence.

Employers Liability Insurance

When you employ someone, it is a legal requirement that you are insured as an employer (Employers Liability Compulsory Insurance Act 1969).

Employers are responsible for the health and safety of their employees while they are at work. Your employees (Personal Assistants/Support Workers) may be injured at work or former employees may become ill as a result of their work whilst in your employment. They might try to claim compensation from you if they believe you are responsible. The Employers Liability (Compulsory Insurance) Act 1969 ensures that you have at least a minimum level of insurance cover against any such claims.

You are only required by law to have employer's liability insurance for people you employ under a contract of service or apprenticeship. You do not need to have employer's liability insurance for self-employed PAs.

The legislation around taking out insurance means that IBK is unable to recommend particular companies, but we are able to let you know that the following companies offer the specialist insurance you need. We recommend you take out full, as opposed to basic cover.

Company	Website	Telephone
Mark Bates Ltd	https://markbatesltd.com/home-employment-insurance	01476 514478
Fish Insurance	https://www.fishinsurance.co.uk/products/carer-and-personal-assistant-insurance/	0333 331 3770
Direct Care	http://www.directcareinsurance.co.uk/	0345 040 002

IBK positively encourages you to think about your needs and call the above companies to decide which one is appropriate for you.

Being an employer

Taking on the responsibility of being an employer can be a daunting prospect! Although we can't take away all the difficult aspects of being an employer, we can help you with many of them. And we can advise you where you can get reliable HR and/or legal advice should you need this.

We can also advise you on important aspects of being an employer such as looking after your PAs by making sure both you and they know what they are doing when they are with you; they know the days and times they are expected to work; timesheets are in on time so that they get paid promptly; talking about and coming to an agreement about when they can take Annual Leave. We can also put you in touch with others who are finding their way to being the best employer they can be.

When we set you up as an employer with HMRC (which we have to do in order to open a payroll scheme on your behalf), you may receive letters from HMRC about the scheme. Please do not worry about these letters. On most occasions there is nothing for you to do. The letters are for information only. If you are worried about anything you receive, please forward them to us and we will let you know if there are any actions either you or we need to take.

The payroll process

- We issue timetables for 4-weekly and monthly payroll frequencies and they are there to guide you to make sure payments to your PA are made on time. (During our initial home visit, we will ask you whether you choose to have payroll run on a monthly or 4 weekly basis. When you have decided how you would like your payroll to be run, we will give you the date you need to get your timesheets to us each month.)
- We would appreciate that you follow the deadline dates we give you to allow us to give you with the best possible service.
- Unless you let us know otherwise, 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.
- Payroll processing for all payment frequencies where a payment process week contains a Bank Holiday may be subject to a short delay in processing.

- Separate arrangements may apply at Easter and Christmas. 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 - 4-weekly paid PA's will have 5 weeks in their final pay period instead of 4.
- For those of you with a Managed Account, we monitor the number of hours being worked by each PA against the support plan agreed by your Local Authority. You should not ask your PA to work more hours than those which have been agreed in your support plan. 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 is happening there may be a short delay to the normal payday.

Step by step guide to payroll

For each month/four weekly payroll period, we have to follow the procedure outlined below. Getting things right for your PAs depends on both you and IBK taking the following steps:

Step	Payroll Service	Payroll & Managed Account Service
1	You contact IBK with the hours worked by your PA, and any holiday hours taken	You contact IBK with the hours worked by your PA, and any holiday hours taken
2	IBK process your payroll and complete your HMRC filing obligations	IBK process your payroll and complete your HMRC filing obligations
3	IBK send you a pay slip for your PA and other paperwork for your records	IBK send a pay slip directly to your PA. We send you copies of pay slips for your information.

4	You organise payment to your PA and give them their pay slip	IBK pay your PA directly into their bank account
5	IBK lets you know how much you have to pay HMRC; and how you do this	IBK pays your PAYE liabilities to HMRC every month
6	At the end of the financial year (March) IBK completes your HMRC filing obligations and issues you with P60s to be given to your PAs	At the end of the financial year (March) IBK completes your HMRC filing obligations and issues P60s directly to your PAs

Step 1: Letting us know about the hours your PA(s) have worked

We need you to get in touch with IBK at the end of each pay period (four weekly or monthly) to let us know how many hours your PA has worked. 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.

It is vital that you let us know the hours your PA(s) has worked in good time for their pay date to ensure:

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

You need to record the hours worked by your PA and at the end of each pay period give IBK the following information:

- The names of your PAs and the hours they have worked
- The pay rate for each of your PAs
- Any extra payments such as sleepover or overtime hours etc.
- Any holiday hours that have been taken
- Any sickness periods your PAs have had

You will have to e-mail, text or post a signed and dated timesheet. (We will make sure you have the timesheet appropriate to your payroll schedule - monthly or 4 weekly – following our initial meeting with you.) Please make sure you send the timesheets of all your PAs together. Sending them separately can lead to delays.

The email address to use when sending timesheets is: payroll@ibkinitiatives.com

Please make sure you get the information to us on time. If you get your timesheets/hours to us after the deadline for any particular pay run, or have missed several payroll runs, your PA(s) will:

- a) Pay more Tax and National Insurance once the year end has 'rolled' into the new Tax year;
- b) The payments for two or more months/4 weekly pay periods will be 'lumped together' on 1 pay slip;
- c) Your PA's P60 for the tax year that has just ended will not show all the earnings for that year;
- d) When their P60 is issued for the current tax year, it will show more earnings than they will have been paid for that year.

Late notification of hours worked

We appreciate that sometimes there may be circumstances where you may not be able to notify us of your PAs hours at the correct time for payroll processing. If we have not received your hours by the deadline then your PAs hours will not be processed until the next pay period. 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.

Late notification and payment of hours may seriously affect your PA's claims to any credit/benefit payments. Unfortunately, IBK cannot alter the way the Tax system works.

Step 2: IBK processes your payroll

We aim to process your timesheets as soon as possible after we receive them, and we assure you that we will process them within 5 days of having received them. It really helps us if we receive the timesheets a few days before payment is due as it allows time to settle any queries. If we do have any queries about your timesheets, we will get in touch with you before we process them.

Step 3: Pay slips

It is important that employees receive their monthly pay slip. Pay slips let your employee know the breakdown of their pay and details of any deductions. Employees may also need to show pay slips as a proof of authenticity if they approach a bank for any kind of financial help like vehicle finance or mortgage loans.

Step 4: Paying your PA(s)

Agreeing a regular pay date with your PA(s) can be hugely helpful in terms of keeping your PA(s) happy to work with you. If pay dates are irregular, it can be difficult for your PA(s) to manage their personal finances and so make it more difficult for them to work with you.

We will talk with you about having a set pay date when we visit you to set up your payroll. If you are making the payments, please try to make them regularly. IBK will make payments on an agreed date (if given), or as soon as payroll is processed if there is no given date.

Step 5: Payment of HMRC liabilities

Each time we process your payroll we have to send a copy of the payroll data to HMRC. This fulfills your legal obligation. We also keep a running total of any Tax and National Insurance deductions taken.

We will let you know how much you have to pay HMRC every month. If you have payroll only, 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). Failure to make this payment may result in a fine. If you receive any notifications from HMRC about this, please get in touch with us immediately.

Please note: For people on a managed account, IBK will make all HMRC payments on your behalf. You do not have to do anything. If there are no Tax and National Insurance deductions in the month, IBK will advise HMRC directly. IBK will let you know that no payments need to be made.

Step 6: End of year responsibilities

The tax year runs from April – March. At the end of the Tax year (5th April each year) IBK will file a final on-line statement to HMRC. This fulfills your legal obligation.

IBK will issue forms P60 for any PAs 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.

What to do when a new PA starts

You must inform IBK immediately a new PA starts working for you.

In your set up pack we include PA Starter Forms. Please ensure your new PA completes all the information required including the declarations & statements regarding tax. We will provide you with paper &/or electronic copies of starter forms at your initial set up meeting. Additional Starter Forms are available when you need them. Please contact us and we will send or email them to you.

Completed Starter Forms and Tax declarations (including any form P45 given to you) should be sent to IBK as soon as your PA starts working for you. Any delay could result in us being unable to calculate your payroll on time.

What to do when a PA leaves

You must inform IBK immediately if your PA stops working for you. We can give you a PA Leaver form which you must complete and return when a PA stops working for you.

On the next available pay run 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.

IBK 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 IBK regularly sweeps the payroll records by archiving and issuing form P45 to any PA that has not worked for 8 weeks. It may be that you have forgotten to inform us they have 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, please send the P45 back to IBK. You will not need to complete a Starter Form as we will simply reinstate the record back onto the payroll from the archive.

What to do when a PA is sick

Any PA that is sick must inform you as soon as they fall sick.

If employees are off for 7 days or less, they do not need to give their employer a fit note or other proof of sickness from a medical professional. When they return to work, their employer can ask them to confirm they have been off sick. This is called 'self-certification'. The employer and employee will agree on how the employee should do this. They might need to fill in a form or send details of their sick leave by email.

After an absence of 7 days your employee 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 IBK as they are received. IBK 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 28 weeks 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. This might be because they do not earn enough with you. If this is the case, IBK will send your PA form SSP1 and they should claim sickness benefit from the DWP.

What to do when a PA becomes pregnant

Any PA who 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 IBK as soon as this is given to you.

IBK 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 partially 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. IBK 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. For example, they might not earn enough with you. If this is the case, IBK 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. These days are usually used towards the end of your PA's maternity leave to give her a chance to ease back into work &/or to give refresher training.

If you find out that your PA is working for another employer whilst they are on maternity leave with you then you must inform IBK 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 www.gov.uk & searching for maternity pay.

PAs whose partners become pregnant

Employees may be eligible for Statutory Paternity Leave and Pay if they and their partner are:

- having a baby
- adopting a child
- having a baby through a surrogacy

Employees can choose to take either 1 week or 2 consecutive weeks' leave. The amount of time is the same even if they have more than one child (for example twins).

Leave cannot start before the birth. The start date must be one of the following:

- the actual date of birth
- an agreed number of days after the birth

an agreed number of days after the expected week of childbirth

Leave must finish within 56 days of the birth (or due date if the baby is early). The start and end dates are different if the employee is adopting.

Adoption Leave & Pay

An employee adopting a child must:

- have been continuously employed by you for at least 26 weeks up to any day in the week they were matched with a child (UK adoptions)
- have been continuously employed by you for at least 26 weeks by either the date the child arrives in the UK or when they want their pay to start (overseas adoptions)
- confirm that their partner is getting Statutory Adoption Pay in writing or by giving you a copy of their partner's form SC6
- meet the other eligibility conditions for paternity leave or pay

An employee adopting a child must send you form SC4 for:

- leave - no later than 7 days of their co-adopter or partner being matched with a child
- pay - 28 days before they want their pay to start
- For overseas adoptions the form and notice period is different. The process is explained on form SC5.

Leave start date

An employee taking paternity leave because they're adopting can start their leave:

- on the date of placement
- an agreed number of days after the date of placement
- on the date the child arrives in the UK or an agreed number of days after this (overseas adoptions)

For overseas adoptions leave must be taken within 56 days of the date of placement or the child's arrival in the UK.

Proof of adoption

Employees must give you proof of adoption to qualify for paternity pay. Proof is not needed for paternity leave unless you request it. Proof can be a letter from their adoption agency or their matching certificate. You must keep records of the proof.

Surrogacy

Eligibility for surrogacy can be found at www.gov.uk by searching surrogacy. However, as this is less common, we recommend you call IBK to discuss things.

What to do if your PA has a court order

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 IBK immediately. We will apply the Courts instructions to the payroll process.

If you are have a Managed Account IBK will make the payment for you.

If you have Payroll only, IBK will advise you each pay period of the amount you should pay to the Court.

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 IBK. 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 is only employed by you and doesn't have another job, 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. The number to call is: 0300 200 3300.

If your PA receives a state or private pension, their earnings will not be subject to any personal allowances and will be taxed at the basic rate (currently 20%)

If you are worried about any correspondence you receive from HMRC, please get in touch.

National Insurance

All PAs 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 IBK and we will stop deducting National Insurance from them.

As an employer you must also make a contribution of National Insurance on your PAs 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 can vary each time.

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

If we receive your timesheets after the cut of date for your pay period, this can seriously affect your PA. This is relevant for every 4 weekly/monthly period, but is especially relevant at the end of the tax year (the tax year runs from April – March).

If you get your timesheets/hours to us after the deadline for any particular pay run, or have missed several payroll runs, your PA(s) will:

- a) Pay more Tax and National Insurance once the year end has 'rolled' into the new Tax year;
- b) The payments will be 'lumped together' on ONE pay slip;
- c) Your PA's P60 for the tax year that has just ended will not show all the earnings for that year;

d) When their P60 is issued for the current tax year, it will show more earnings than they will have have been paid for that year.

IBK 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.

Tax codes

HMRC are the Government Department responsible for issuing Tax Codes and collecting the Tax and National Insurance deductions from wages. Although IBK can offer you general advice on tax codes and tax, we are unable to deal with details of how your PAs tax codes are calculated.

If a PA has more than one job, it is possible to split their tax-code. This allows them to pay the correct tax across the financial year. In order to split a tax code, your PA must get in touch with HMRC when they receive their first pay slip from you. (The first pay slip will show tax at the Basic Rate, but this can be reclaimed either at the end of the financial year, or when HMRC give them a new tax code.

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

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.

Employers Allowance

Every year, HMRC allows people employing personal assistants to claim an amount for their National Insurance contributions.

IBK makes sure this claim is made on your behalf when we set up your payroll scheme. You do not have to do anything about this.

Holidays

Under the Working Time Regulations your PA is entitled to 28 days holiday per year (28 days = 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 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

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

- IBK 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 IBK know at payroll time if any holiday hours have been taken. We will process these accordingly and record the payment on your PA's pay slip. 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 pay slip each time a wage payment is processed.

How to calculate your PAs holiday entitlement

If a PA is contracted to a set number of hours a week, then the holiday entitlement is 5.6 weeks each year. This will be worked out on a pro-rata basis. For example, if you work 40 hours a week you will accrue the full annual holiday entitlement. And if you work 10 hours a week, your holiday entitlement will be adjusted accordingly.

The holiday entitlement builds up over the course of a 12 month period. For example, if your PA starts in October, they will only be eligible for 6 months of holiday entitlement for that financial year.

Please use the table below as a guide:

Example 1. Contracted Hours

Contracted Weekly hours	Equation	Entitlement per year
10	10×5.6	56

If a PA works irregular hours or has a zero hour contract, you can calculate how much holiday time they are due for the year by multiplying the number of hours worked by 12.07%.

Example 2. Zero/Irregular Hours

Hours completed so far	Equation	Entitlement per year
7	7×12.07	84.49

As irregular hours can mean that people are working ad-hoc or can go for long periods with no hours, the holiday pay is given in addition to the amount the PA receives for each period they do work. This ensures the PA does not miss out on any holiday pay they are entitled to.

Some additional points to consider

There is legislation surrounding holiday entitlement that sometimes seems at odds with employing people for care & support at home. However, at present, there are no exceptions to these regulations. Such legislation specifies that:

- 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 IBK 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.
- If your PA has a set number of hours they are contracted to work each week, 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.

Pensions

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 22 or over and up to state pension age who earn more than £10,000 per year (£192 per week or £833) 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 subject to meeting the qualifying criteria below.

- Fall outside of the required age bracket i.e. ages between 16-21 or between the State Pension age - 74 and who earns above the auto enrolment earnings trigger of £10,000.00.

or

- Are aged between 16-74 and earn above £6,136.00 (the lower earnings level for qualifying earnings) but below £10,000.00 the auto enrolment earnings trigger*.

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

IBK uses 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 IBK. NEST is an on-line pension solution and IBK 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 IBK so we can set this up for you.

If you have a Managed Account the contributions will be collected from the IBK 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 PAs to enroll. This has to be done on-line & IBK will complete this for you. Failure to file a Declaration of Compliance will prompt the Pensions Regulator to investigate and possibly fine 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 & IBK will do this on your behalf.

Re-enrolment & re-declaration legal duties

Every three years an employer must put certain staff back into a pension scheme and tell The Pension Regulator this has been done. We do this on your behalf.

Whether or not you have staff to re-enrol into the pension scheme, we must complete your re-declaration of compliance.

PAs who work on a self-employed basis

PAs 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 show you their company and/or personal insurance liability documents, and 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 received by IBK will be paid in accordance with the agreed payment terms.
- 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 PAs 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 IBK. It may be that your pay slips 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). (If we do not have the correct information when we come to processing your payroll, we will usually contact you to let you know and ask you for the information we require.)

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

Answer: Contact IBK. We may have misinterpreted your instructions, or made a mistake. 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 IBK. 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 pay slips 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 IBK. Has your PA reached state retirement age? If so, 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: Contact IBK. We keep a detailed track of entitlement or alternatively can work it out over the phone with you.

Q: I have not received my pay slips or payroll information.

Answer: Contact IBK. 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 IBK. 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 care manager, social worker or 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 IBK provide him/her with a letter?

Answer: Your PA has received a pay slip each time they have been paid. These are their earnings statements and should suffice in all situations. IBK is 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.

