

payroll services

This schedule should be read in conjunction with your engagement letter and the [terms of business](#).

1. Our responsibilities

- 1.1. We will provide you with a fully managed payroll service for your UK payroll for each payroll period specified in the services summary to meet UK employment tax requirements, specifically:
 - 1.1.1. input all Company/Employee Data, which is received by us in the agreed format by the agreed time, for inclusion in that period's payroll run;
 - 1.1.2. calculate your payroll, including calculations for Income Tax, National Insurance and Attachment of Earnings Orders;
 - 1.1.3. ensure that the total net pay figures are signed off in a timely manner and in accordance with the payroll schedule and the BACS listing provided;
 - 1.1.4. ensure payment via BACS (if required) of all employee payments;
 - 1.1.5. ensure payment of PAYE and NICs (if required), by BACS, to the HMRC by the statutory deadlines each month;
 - 1.1.6. produce all P45s, sent to the employee's home address;
 - 1.1.7. provide tax year end work, including relevant submissions to the HMRC, production of all P60's for employees as at 5 April of the relevant year, and P35s for the Company;
 - 1.1.8. process year end returns and make relevant submissions to HMRC;
 - 1.1.9. prepare and dispatch to an agreed location in accordance with the agreed payroll-processing schedule: control reports and electronic files; third party reports; payslips ready for distribution by the Company; and submission of the BACS file to BACS for payment to the employee bank accounts;
 - 1.1.10. run standard management reports in accordance with agreed deadlines;
 - 1.1.11. take responsibility for the return of all statutory documentation to the employee on notification of their leave date;
 - 1.1.12. inform the relevant parties when an employee leaves with an Attachment of Earnings Order in force;
 - 1.1.13. administer court order deductions from court documents that have been received from the authorised body and arrange timely payments to the relevant authorities;
 - 1.1.14. process requests to the Department for Work and Pensions for missing National Insurance numbers on a periodic basis;
 - 1.1.15. ensure that the correct file, with the correct processing date, is transmitted to BACS in accordance with the agreed schedule; and
 - 1.1.16. receive data on behalf of the Company submitted from third parties such as the HMRC and Courts.

2. Your responsibilities

- 2.1. Even though you are engaging us to help you meet your payroll obligations, you are legally responsible for:
 - 2.1.1. ensuring that the data in your payroll submissions is correct and complete;
 - 2.1.2. complying with auto-enrolment obligations;
 - 2.1.3. making any submissions by the due date; and
 - 2.1.4. paying tax and NIC on time.
- 2.2. Employers cannot delegate these legal responsibilities to others.
- 2.3. You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 2.4. To enable us to carry out our work, you agree:
 - 2.4.1. that all information required to be delivered online is submitted on the basis of full disclosure;
 - 2.4.2. to provide full information necessary for dealing with your payroll affairs and workplace pension scheme contributions (where engaged); we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
 - 2.4.3. to advise us in writing (via email acceptable) of changes of payroll pay dates;
 - 2.4.4. to notify us at least 5 working days or such other period as agreed with us before the payroll pay date of all transactions or events which may need to be reflected in the payroll for the period, including details of:

- all new employees (including full names, address, date of birth, gender, national insurance number, their start date and starter form) and details of their remuneration package;
 - for employees who are active pension scheme members, name of pension scheme, pensionable pay, employee and employer contribution rates, dates from/to which contributions payable;
 - names and dates of birth of all apprentices aged under 25;
 - all changes to remuneration packages;
 - information necessary to enable us to calculate statutory payments, i.e., statutory sick pay, statutory maternity pay, statutory adoption pay, statutory paternity pay, statutory shared parental pay;
 - irregular and/or ad hoc payments and the dates to be paid; and
 - all leavers, their leaving date, termination payments, and any payments made after the leaving date.
- 2.4.5. to keep us informed of changes in circumstances that could affect the payroll; if you are unsure whether a change is material, please tell us so we can assess its significance; and
- 2.4.6. to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with your payroll;
- 2.4.7. promptly sign off any checking reports;
- 2.4.8. collate, batch, authorise and forward to us all documents relevant for the Services in an agreed format, within agreed timescales. Failure to do so may result in non-processing of data received outside of the agreed timescales. All data submitted to us will be deemed to have been duly authorised;
- 2.4.9. provide us with correct employee data (bank account details, National Insurance numbers). The Company shall be liable for any penalties incurred for the use of temporary National Insurance numbers;
- 2.4.10. provide the sign off, as authorisation of payment, of PAYE and NICs;
- 2.4.11. provide us with notification of all leavers;
- 2.4.12. update us of any changes to the payroll within pre-agreed cut off deadlines;
- 2.4.13. alert us to any changes required following review of the checking reports within agreed deadlines;
- 2.4.14. complete the P35 declaration;
- 2.4.15. agree BACS (if required) limits with the sponsoring bank, and ensure that any payroll submitted for processing falls within this limit; and
- 2.4.16. if approval of the Payroll is provided with a signature, ensure authorised signatories are available to sign off the payroll for BACS transmission, within pre-agreed timescales.
- 2.5. If we do not hear from you by the above deadlines, subject to any other agreement between us, we will take your silence as your approval for us to submit the return.
- 2.6. If the information required to complete the payroll services set out above is received later than the dates specified above or agreed with us, we will still endeavour to process the payroll and returns to meet the filing deadlines; but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances. We may charge an additional fee for work carried out in a shorter time period.
- 2.7. If you require us to make a correction after processing of monthly or annual submissions, you will let us know as soon as possible and, ideally, before the next payroll run. We will notify of any separate fees for this.
- 2.8. HM Revenue & Customs ('HMRC') will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. A 64-8 authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 2.9. You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us when form 64-8 has been signed and submitted, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in most cases, will not do so. You should also keep a note of any telephone communication you have with HMRC's tax credits helpline, including the date and time of the call, and the name of the helpline operator(s).
- 2.10. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law, practice, public policy or in your circumstances.

- 2.11. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

3. Workplace pension schemes

- 3.1. We can provide services in respect of workplace pension schemes if requested by you as specified in the services summary. We are able to provide 2 services as follows:

- 3.1.1. Auto enrolment (AE); and
3.1.2. Auto enrolment service (AES).

- 3.2. **Auto enrolment (AE):** For companies listed in the services summary that have an existing qualifying pension scheme or are happy to find and set one up:

- 3.2.1. Prior to commencing the service, we will confirm your chosen pension provider is one we are able to work with (currently there are 20 mainstream providers we can work with);
3.2.2. Set up your pension scheme in our compliant software;
3.2.3. Asses the workforce to determine who must be auto-enrolled and when;
3.2.4. Communicate with the workforce as required; and
3.2.5. Provide the pension report required by your pension provider to you in the form of an output file (it is your responsibility to send/submit the report to the pension provider).

- 3.3. **Auto enrolment service (AES):** For companies listed in the services summary with no pension scheme in place and that require a fully managed service:

- 3.3.1. Set up of a qualifying scheme with an appropriate pension provider as detailed in the services summary ("pension provider") (**note: we are not an Independent Financial Advisor and therefore do not provide any advice over selection of a pension scheme. It is your responsibility to take appropriate pension advice if required**);
3.3.2. Set up your pension scheme in our compliant software;
3.3.3. Asses the workforce to determine who must be auto-enrolled and when;
3.3.4. Communicate with the workforce as required;
3.3.5. Send the pension report to pension provider on your behalf;
3.3.6. Pay contributions via BACS (if required) to pension provider;
3.3.7. Complete the declaration of compliance with The Pension Regulator; and
3.3.8. Auto re-enrol employees every 3 years.

4. Out of scope

- 4.1. The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation, ad hoc and advisory services as may be agreed between us from time to time. These will be the subject to a separate variation to this engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- 4.1.1. agreeing with you which employer-provided benefits-in-kind will be processed through the payroll and for which employees, processing through the payroll cash equivalent notional amounts on employee benefits-in-kind, notifying HMRC of in-year changes, advising you on the payment of associated Class 1A NIC, preparing and submitting return P11D(b) and notifications to employees;
4.1.2. preparing and submitting returns P11D and P11D(b) for employee benefits-in-kind and expenses and advising on the payment of associated Class 1A NIC (such work, if undertaken, is covered in a separate schedule of services);
4.1.3. dealing with any compliance check or enquiry by HMRC into the payroll data submitted;
4.1.4. preparing and submitting any amended returns or data for previous tax years;
4.1.5. assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors; and
4.1.6. conducting PAYE, and benefits and expenses health checks.

- 4.2. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.