

## **SCHEDULE OF SERVICES – Payroll Services**

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

### **Recurring compliance work**

1. We will prepare your UK payroll for each payroll period to meet UK employment tax requirements, where paying actual as opposed to deemed employees, specifically:
  - (a) calculating the pay as you earn (PAYE) deductions including at the Scottish and Welsh rates of income tax, if applicable;
  - (b) calculating the employees' national insurance contributions (NIC) deductions;
  - (c) calculating the employer's NIC liabilities;
  - (d) calculating statutory payments – for example, statutory sick pay and/or statutory maternity pay;
  - (e) calculating reclaims of statutory payment – for example, maternity payments;
  - (f) calculating employee and employer pension contributions for employees and workers who are members of workplace pension schemes (including those who are auto-enrolled) on the basis of the information you provide;
  - (g) claiming employment allowance;
  - (h) calculating, if appropriate, apprenticeship levy;
  - (i) calculating other statutory and non-statutory deductions; and
  - (j) submitting information online to HMRC under real-time information (RTI) for PAYE.
  
2. We will prepare and send to you the following documents before the time of payment through the payroll or due date for delivering information to HMRC:
  - (a) payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals
  - (b) the data included within each full payment submission (FPS) for taxable pay and payrolled benefits for each employee
  - (c) a payslip for each employee unless not required;
  - (d) a P45 for each leaver
  - (e) a report showing your PAYE and NIC liability student loan repayments and apprenticeship levy and due date for payment; and
  - (f) a report showing pension contributions payable in respect of each employee to the respective workplace pension scheme(s) of which they are members and the due date(s) for payment.
  
3. We will submit FPSs online to HMRC on the basis of the data provided by you. FPSs must reach HMRC normally on or before the payday. You must ensure that the data provided to us is complete and accurate, and your attention is drawn to your legal responsibilities as set out at paragraphs 14 and 15 below.
  
4. For each tax month we will prepare, where appropriate, an employer payment summary (EPS) from the information and explanations that you provide to us. (Examples of EPS data include statutory payments, employment allowance, Construction Industry Scheme deductions, apprenticeship levy allowance allocated to the PAYE scheme, apprenticeship allowance payable to date and confirmation that no payments were made to employees.)

5. We will submit EPSs to HMRC on the basis of the data provided by you. (EPSs must reach HMRC by the 19th of the month following the tax month to which they relate). You must ensure that the data provided to us is complete and accurate, and your attention is drawn to your legal responsibilities as set out at paragraphs 14 and 15 below.
6. At the end of the payroll year we will:
  - (a) prepare the final FPS (or EPS) and submit this to HMRC on the basis of the data provided by you. (The final FPS (or EPS) for the year must reach HMRC by 19 April following the end of the tax year.) You must ensure that the data provided to us is complete and accurate and your attention is drawn to your legal responsibilities as set out at paragraphs 16 and 17 below
  - (b) prepare and send to you form P60 for each employee on the payroll at the year-end so that you can give them to employees by the statutory due date of 31 May following the end of the tax year
  - (c) prepare and send to you a statement for every employee for whom benefits-in-kind (BiK) have been payrolled, identifying every benefit provided to each employee during the tax year and the cash equivalent of each benefit treated as PAYE income so you can give them to employees by the statutory due date of 31 May following the end of the tax year
  - (d) give you details of the class 1A NIC on payrolled BiK, which will need to be accounted for on form P11D and the due date for payment. We will complete and submit the P11D to HMRC.
  - (e) give you details of the class 1A NIC on expenses accounted for in the payroll, which will need to be accounted for on form P11D and the due date for payment. We will complete and submit P11D.
  - (f) give you the figures that need to be included on forms P11D to account for income tax in respect of expenses for which class 1 NIC has been accounted for in the payroll. We will complete and submit P11D
7. We will submit national insurance number (NINO) verification requests as appropriate to verify or obtain a NINO for a new employee.
8. Note that we will only deal with the nominated person within the organisation. Any enquiries from individual employees concerning their wages or other payroll details will be referred back to that responsible person.
9. Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees, but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

## Ad hoc and advisory work

10. Where you have instructed 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 services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services.

Examples of such work include:

- advising on ad hoc transactions (for example, termination payments to employees) and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax and NIC liabilities;
- dealing with any compliance check or enquiry by HMRC into the payroll returns;
- preparing and submitting any amended returns or data for previous tax years and corresponding with HMRC as necessary;
- where your company is a personal service company, helping you to determine deemed employment status under the IR35 rules for work undertaken for clients by the company;
- where your company is a personal service company and deemed employment status under the IR35 rules applies to work undertaken for clients by the company, calculating deemed employment payments and accounting through payroll to HMRC for tax and NIC etc;
- where the off-payroll working rules apply and your company pays deemed employees' personal service companies, accounting via payroll for tax and NIC etc on the payments where you have contractors working for your company through their own personal service companies, helping you to determine whether or not your company is "small" under the off-payroll working rules;
- where you have contractors working for your company via their own personal service companies and your company is not "small" under the off-payroll working rules, helping you to determine the deemed employment status of those contractors and prepare employment status determination statements to give to those contractors and labour supply agencies that you have contracted with;
- helping with setting up and administering workplace pension schemes, including referring you to appropriate specialists where necessary;
- agreeing with you which employer-provided BiK will be processed through the payroll and for which employees, registering the PAYE scheme to payroll BiK, processing through the payroll cash equivalent notional amounts, 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;
- preparing and submitting returns P11D and P11D(b) for employee BiK and expenses, and advising on the payment of associated class 1A NIC (such work if undertaken is covered in a separate schedule of services);

- assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors;
- conducting PAYE, and benefits and expenses health checks; and
- helping you to allocate apprenticeship levy allowance across your different PAYE schemes/group companies/connected charities.

11. Where specialist advice is required on occasion, we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by the nominated person.

### **Changes in the law or public policy and practice**

12. 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 or public policy and practice or your circumstances.

13. We will accept no liability for losses arising from changes in the law or public policy and practice that are first published after the date on which the advice is given.

### **Your responsibilities**

14. You are legally responsible for:

- (a) ensuring that the data in your payroll submissions is correct and complete;
- (b) making any submissions by the due date;
- (c) paying tax and NIC on time.

Failure to do this may lead to penalties and/or interest.

15. Employers cannot delegate this legal responsibility to others.

16. You are responsible for maintaining your employees' information, including any changes to the employees' bank account details.

17. To enable us to carry out our work you agree:

- (a) that all information required to be delivered online is submitted on the basis of full disclosure;
- (b) to provide full information necessary for dealing with your payroll affairs and workplace pension scheme contributions; we will rely on the information and documents being true, correct and complete, and will not audit the information or those documents;
- (c) to agree with us the name[s] of the person[s] authorised by you to notify us of changes in employees and in rates of pay. We will process the changes only if notified by that/those individual[s];
- (d) to advise us in writing of changes of payroll pay dates and workplace pension scheme contribution dates;

(e) to notify us at least 10 working days prior to the payroll pay date of all transactions or events that 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) and details of their remuneration packages
- all leavers and any termination payments
- all changes to remuneration packages
- all pension scheme changes
- all changes to benefits and expenses reportable under an existing payrolling benefits and expense online service registration
- irregular and/or ad hoc payments and the dates to be paid;

(f) to provide the data required to complete:

- in-year FPS by at least 10 working days prior to payroll pay dates so that they can be submitted on or before payday, or as agreed with us
- in-year EPS by at least 10 working days prior to 19th of the month following the tax month
- final FPS (or EPS when applicable) for the year at least 10 working days prior to 19 April following the end of the tax year
- EYU within 10 working days;

(g) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.

18. You will keep us informed of material changes in circumstances that could affect the payroll. If you are unsure whether the change is material or not, please let us know so that we can assess its significance.

19. Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because HMRC is not obliged to send us copies of all communications issued to you.

20. 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 agreed payroll date and 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.

21. **Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions, which you should read and consider carefully.**

22. **You must also refer to the attached schedule confirming data processing details.**