

Newsletter

February 2021



Introduction from Dena

A very warm welcome to our newsletter, whether you are reading this as a client, a potential client, friend or out of a general interest in the world of payroll, I hope that you find some points of interest and maybe even entertainment.

There is nothing that I can add to the many millions of words spoken about the Coronavirus pandemic, many more learned and dare I say opinionated people than me have had, and continue to have their say. All I will note is that this has been a time of unprecedented activity and head-spinning legislation changes, certainly unique in my 40+ years working in payroll.

Here at Pay-Nex we have long held the belief that 'behind every payslip, there is a person', and this simple statement encompasses our attitude to customer service. This has never been more important recently, as more and more real people with real-life concerns about their payslips have relied on our diligence and attention to detail.

Working closely with our clients, we have accurately processed many thousands of furlough payments for employees across the UK in a timely and dependable manner, I am extremely proud of my entire team and grateful for their efforts.

So, thank you again for taking a look at our newsletter, if you have any comments or suggestions we would love to hear them.

Kind regards,

Dena



CIPP

We are proud members of the Chartered Institute of Payroll Professionals, our membership allows us access to specialist training and a wealth of collective experience and knowhow, not just about payroll but pensions too.



The Pensions Regulator

Set up in 2005, The Pensions Regulator is the public body responsible for the protection of workplace pensions in the UK. You can read more about our specialised workplace pension service on our website at www.pay-nex.com/pensions



Off Payroll Working Rules, or IR35

The long-delayed IR35 legislation will come into effect on April 6th 2021.

Originally introduced in April 2000, and properly known as the Intermediaries Legislation, this complicated set of laws has been completely modified, leaving many employers and contractors confused about their rights and responsibilities.

The idea behind the legislation is, in theory at least extremely sound, designed as it was to defend workers' rights and protect HMRC from lost revenue. For many businesses though, the timing could not be worse with the prospect of additional costs, large fines for non-compliance and a mountain of new paperwork adding to already difficult trading conditions.

Of course we can help with all payroll issues, but a great deal of the new legislation requires specialist HR involvement, typical of this being the 'Principal Tests of Employment', a key element of every case.

- **Control:** What degree of control does the client have over what, how, when and where the worker completes the work?
- **Substitution:** Is personal service by the worker required, or can the worker send a substitute in their place?

- **Mutuality of obligation:** A concept where the employer is obliged to offer work, and the worker is obligated to accept it.

The legislation, its application and the implications for contractors and employers in many industries are far too detailed to cover here, we are also well aware that as Payroll and Auto Enrolment specialists there are areas of the situation in which we are not qualified to advise.

We mentioned elsewhere in this newsletter our network of trusted professionals and we are delighted to be working with Dan Caruso, owner of Beagle HR.

Together we will be producing a series of clear, concise articles and delivering free, focused workshops offering practical advice on every aspect of the new laws and how they affect your business, we will debunk some myths and hopefully ease a few concerns.

If you, or anybody you know may be affected by IR35 please get in touch and we will make sure that you are kept up to date with developments, and of course if you have any specific questions please do not hesitate to call or email.

We are here to help.

Payroll Giving

Charities, without access to many of their traditional fundraising channels have been particularly hard hit by trading restrictions in the last twelve months, and while charitable donations might not be at the front of our minds right now, there is a way to continue supporting good causes that also benefits from an HM Government contribution.

Payroll Giving is an initiative where donations are taken directly from the employees pay, before tax but after NI each time we run the payroll.

The contribution then attracts the associated tax relief, meaning that the charity gets more money...In effect, a 20% tax payer donating £20.00 per month will 'pay' only £16.00, but the charity will receive the full £20.00 because the extra £4.00 goes to them, not the tax man!

We can help any employer set up a voluntary Payroll Giving service, allowing employees to contribute to their favourite good causes at a time when many are facing huge financial challenges.

And, a donation means that tax is calculated on a lower amount, so it can actually lower your tax bracket.

Professional Relationships

Our work brings us into daily contact with fellow professionals in finance, the legal professions and HR, we have developed our network over many years and we are always pleased to offer introductions based on our trust in their services.

New Coronavirus Fines for Employers

With new legislation and revised guidelines arriving thick and fast, here is a very quick reminder to all employers that since September 2020 new fines were introduced for allowing staff to work when they should be self-isolating due to Coronavirus.

If an employee tests positive for Coronavirus, or lives with somebody that tests positive, the employee is required by law to self-isolate for the period set out in the prevailing guidelines. It is also the responsibility of the employee to alert their employer and give specific beginning and end dates for the period of isolation.

The fines of between £1,000 and £10,000 can be applied to any employer that is aware of the contact status of any employee and allows them to work, where the employee is not working from home.

Please visit <https://www.gov.uk/guidance/if-you-need-to-self-isolate-or-cannot-attend-work-due-to-coronavirus> for more details.



Social Media & Website

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