



PAYROLL NEWSLETTER

DECEMBER 2011



This information has been provided by:

**Julie Perrin
Payroll
Supervisor**

NEW BEGINNINGS

Following on from Shirley's departure in June, I am pleased to introduce myself as the newest member of the payroll team. I have recently had contact with Shirley, and you will be happy to hear that she is settling in well to her new life, and enjoying the warmer temperatures of Australia.

It's that time of year again when Santa is making sure that Rudolph has passed his MOT and we need to let you know the Christmas arrangements for 2011 and to give you some useful pointers on payroll matters.

CHRISTMAS ARRANGEMENTS 2011

The office will close at midday on Friday 23 December and reopen on Tuesday 3 January 2012. As the payroll team will have less working days to process payroll, could we ask that you submit all payroll amendments as early as possible. If you normally pay your employees early in December please can you advise us when you will need the payroll run. This is especially important if we make payments by

BACS on your behalf. Please be aware that payments due to credit employees' accounts in the week ending 30 December will need to be sent to the bank before the Christmas break. To avoid any possible delay in salaries crediting bank accounts, for those of you who are sending two or three weeks together, please ensure that your bank limit is sufficient to cover the increase.

CONTRACTS OF EMPLOYMENT

This is an area that should be given a great amount of consideration by all employers. Every employee has a contract, whether it be written or verbal, as soon as they accept a job offer. It proves that the employee has accepted a job on the terms offered by the employer, again whether this is in writing or verbally. All employees are legally entitled to a "Written Statement of Employment Particulars" within 2 months of their start date. This can be covered in a letter of offer. Contracts are sometimes seen as an expense rather than something that could save you money in the long run. The information that must be covered in the Written Statement is as follows:-

- Both employee's and employer's names
- Job title or a brief job description
- The date when the employment began
- Pay rate and when the employee



will be paid

- Hours of work
- Holiday entitlement
- Place of work (if more than one place it should be stated with employer's address)
- Sick pay arrangements
- Notice periods
- Information about disciplinary and grievance procedures
- Any collective agreements that affect the employment terms or conditions
- Pensions and pension schemes
- If not a permanent employee how long the employment is expected to continue, or if a fixed term worker the date the employment will end

The employer can give photocopies from the staff handbook or other documents that contain the details of the employment. However the employer still needs to provide a written statement advising what detail the photocopies contain.

If the employer does not offer one of the terms that must be set out in the written statement (such as a pension scheme), the written statement must state that nothing has been offered, (e.g. no pension is offered). The employer cannot just leave it out.

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The written statement must be clear and correct. An employee cannot be dismissed for asking for a written statement.

There have been many examples over the years where if all terms were in writing both employees and employers would have clearer boundaries of the rules as and when issues arise. This results in less time and more importantly money not being wasted on employment tribunals. If you require any information on contracts of employment, please contact Julie Perrin who will be able to point you in the right direction.

NATIONAL MINIMUM WAGE

Just a quick reminder that the rates from 1 October 2011 are

- 21 and over: £6.08 per hour
- 18-20: £4.98 per hour
- 16-17: £3.68 per hour
- Apprentice Rate 19 or under in first year of training: £2.60 per hour

REAL TIME INFORMATION (RTI)

This is a new set up for PAYE that HM Revenue and Customs are testing with certain employers from April 2012. The idea is that this

will eliminate the need for each employer to do an end of year return Form P35. This will be replaced with all employers and pension providers reporting all payments and deductions made to the recipients as and when the payment is made. The idea is that the whole PAYE process will become easier for both employee and employer. It will assist HMRC in collecting overdue payments on a timelier basis rather than having to wait until the end of year when figures are reported. Each employee will continue to receive a P60 detailing earnings and deductions made for a tax year. HMRC have stated that they foresee all employers using RTI by October 2013.

From a payroll point of view it will be interesting to see whether HMRC are prepared for this. We will obviously keep you abreast of any updates to this situation.

PAYING ONLINE

Most of our fee bankings are now paid direct into our bank account. If you have not yet made arrangements to pay online and would like to do so, please contact the office.

If you have any payroll queries or would like more details of our payroll/CIS service please contact Julie Perrin, JPerrin@EdmundCarr.com or Hazel Ray, HRay@EdmundCarr.com alternatively please telephone in to speak to either of us.

AS THIS WILL BE THE LAST NEWSLETTER OF 2011, MAY WE TAKE THE OPPORTUNITY TO WISH ALL OF OUR CLIENTS A VERY HAPPY CHRISTMAS AND A PROSPEROUS 2012.



DISCLAIMER

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

**Edmund Carr LLP
December 2011**

If you think this information is of use to a friend or colleague, why not forward it on.

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