

## Direct Payment

### Factsheet Payroll Services

Haringey has Payroll Support Services available that will:

- Produce 4 weekly payslips for all of your employees
- Calculate and report your PAYE and National Insurance contributions
- Complete all year end returns to HM Revenue and Customs
- Regulate and report on your employer responsibilities for Workplace Pension
- You can only make a payment to your employee once you receive a payslip from the Payroll Provider.

Payroll Providers operate a 4 weekly payroll system; wages are paid to your employee for hours that they have worked in the 4 week period prior to the pay date.

You must ensure that you inform the Payroll Provider of any changes to your Employee's contracted hours before the Payroll Schedule date.

The Payroll Provider cannot authorise use of surplus funds in your direct payments account. If you are experiencing a change in circumstances and require advice about using additional support over and above your assessed needs you must discuss this with a social worker before using any surplus funds from your direct payments account. It is your responsibility to inform Payroll of changes.

#### Information required to set up your Payroll Support

The Payroll Provider will register you with HM Revenue and Customs when you decide to become an employer.

You will complete a series of forms with the council's Direct Payments Support Team. We will need the following documents:

- Your full name and address
- National insurance number
- Copy of your passport
- Last 3 months utility bills
- Contact Details
- Carers details and photo identification (passport or driving licence)

## Information required to set up Personal Assistant

To register a new employer, you must complete the following:

P45  
Payroll Details

You need to advise the Payroll provider of your employee's start date, contracted hours of work and their rate of pay.

**All forms must be returned to your preferred payroll provider.**

If you do not return all the forms by the Payroll deadline date, then your employee will be paid for all hours worked on the next payroll schedule.

### Your employee hourly rate

As an employer we expect you to pay your personal assistant £10.75 per hour.

The difference in the hourly rate paid into your account by Haringey and the rate that you pay your employees is your allowance for **employers 'on costs'**.

The employers 'on costs' ensure that you have enough money to cover:

**Holiday and sick payments** - to your employee and also for someone to cover their time off.

**Redundancy cost** should your direct payment cease - This is applicable only if your employee qualifies, you have purchased the appropriate Employers insurance and if you have sufficient on cost monies available.

**Employer's National Insurance contributions.**

**Workplace pension contributions.**

### Inland Revenue

You are registered as an employer with HM Revenue and Customs (HMRC), as you employ staff through the direct payments. With that registration, you now have responsibilities as an employer to:

- Make sure that your employee(s) payments are made.
- **Ensure that PAYE and National Insurance deductions from your employees' wages are paid to HMRC on time.**

Confirm that all employee information given to the Direct Payments Support Team is correct to enable accurate reporting to HMRC i.e. correct name and address.

The Payroll Provider will safeguard that you comply with all reporting legislation to HM Revenue and Customs.

Your employee will have PAYE and National Insurance contributions **deducted off** their wages as identified on their 4 weekly payslip. Their wages will be **NET pay**. You must make certain that the deduction from their wages is sent to HMRC on a quarterly basis to avoid penalties.

The Payroll Service will write to you to advise you of the payment that needs to be made. To make a payment to HM Revenue and Customs, you need to follow the instructions on the back of the letter. Payments can be made by Prepaid Card, Online, by telephone or through the Post Office.

See HMRC Payment Options: <https://www.gov.uk/topic/dealing-with-hmrc/paying-hmrc>

### **Employee holiday/statutory payments**

Your PA has an entitlement to holiday pay that is based on the PA's average pay. You need to ensure that your staff get their statutory holiday pay of a minimum 28 days (5.6 weeks, assuming a 5 day working week) paid annual leave a year which includes the eight bank and public holidays (pro rota). The employee is entitled to be paid for any leave s/he hasn't taken if s/he stops working for you.

The holiday entitlement is capped at 28 days pro rata. In other words, if your PA works five days a week then s/he is entitled to 28 days paid annual leave which includes bank holidays. If however your PA works part time equated to two and a half days a week, then s/he is entitled to 14 days leave including bank holidays.

Depending on your PA's working pattern, you may find it easier to calculate their holiday allowance in hours rather than days. For instance, if your PA works 15 hours a week, they are entitled to 84 hours per annum, i.e. 15 x 5.6 equal 84 hours in total including the bank holidays.

To be able to calculate the statutory holiday entitlement in days or hours, please visit the link [www.gov.uk/calculate-your-holiday-entitlement](http://www.gov.uk/calculate-your-holiday-entitlement)

**Holiday pay is NOT in addition to hours worked, it is a payment for time taken off during the year.**

The holiday year starts on 1st April to 31st March the following year; all leave **MUST** be used within the working year and cannot be carried over.

Statutory payments are a legal entitlement to a certain amount of pay if your employee has to take time off work due to the following:

Sickness  
Maternity / Paternity / Adoption

For further information on statutory payments visit:

<https://www.gov.uk/government/collections/statutory-pay>

### **Employee resignation**

If you're Personal Assistant notifies you that they are terminating their employment with you, then they should give you notice as per their contract of employment.

Once your Personal Assistant has given you notice, either verbally or in writing, you must notify the Payroll Provider who in turn will calculate the final payslip including any holidays owed.

You will be asked to complete an Employment Declaration Form which will generate a P45 to be sent directly to your employee.

For more information on terminating employment – providing notice periods and pay, go to:

<http://www.acas.org.uk/index.aspx?articleid=1650>

**If you wish to terminate your employee's contract of employment, we would strongly advise you to contact your Insurance provider first for advice.**

## Where can I get more information?

If you would like help with assessing your social care needs, please contact the council's First Response Team.

First response team: **020 8489 1400**  
firstresponseteam@haringey.gov.uk

If you would like more information on direct payments or would like support with your direct payment, please contact the Direct Payments Support Team.

Direct Payments Support  
Team: **Phone: 020 8489 8456**  
Email:

[PersonalbudgetSupport@haringey.gov.uk](mailto:PersonalbudgetSupport@haringey.gov.uk) If

you have a mental health problem:

If you need help in a crisis you can now self-refer to the Crisis Resolution Home Treatment service 24 hours a day, **Lea7 Unit, St Ann's Hospital**

- Haringey **020 8702 6700**.

If you are a carer and would like more information on receiving support, please contact Haringey Carers First.

Haringey Carers First.  
<https://www.carersfirst.org.uk/haringey>  
**Phone: 0300 303 1555**  
Email: hello@carersfirst.org.uk  
Address: Resource Hub, 1 Russell Road, Leyton, E10 7ES

Skills for Care:

The Skills for Care website provides more information on what is a Personal Assistant (PA) and what is involved if you want to use your direct payment to employ a PA:

<http://www.skillsforcare.org.uk/individualemployers>

This information is presented in a range of toolkits. If you are unable to access the Skills for Care website, you can call **0113 245 1716**.