Direct Payments – Payroll Service Pack

A guide to the Payroll Service available to

Direct Payment Employers
<table>
<thead>
<tr>
<th>Page</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1. Introduction</td>
</tr>
<tr>
<td>4</td>
<td>2. Employer Information – Payroll Service</td>
</tr>
<tr>
<td>5</td>
<td>3. What You Must Do for the Payroll Service</td>
</tr>
<tr>
<td>6</td>
<td>4. What You Must Do for Your Employee and the HMRC</td>
</tr>
<tr>
<td>7</td>
<td>5. Additional Information</td>
</tr>
</tbody>
</table>
1. Introduction

This document aims to serve as a step-by-step user guide for Direct Payment Employers that have opted to use the Payroll Service provided by Stockport Council for the calculation and provision of pay and deduction information. This will include the transfer of pay and deduction information to Her Majesty’s Revenue and Customs (HMRC) on your behalf.*

The guide covers details specific to the payroll process for which you as a Direct Payment Employer will be responsible for carrying out. It will also inform you of what services the Council’s payroll team will provide.

*Although this document tries to cover all possible Payroll information you require, in some circumstances you may need to make direct contact with external organisations such as the HMRC or Pension Providers as relevant.
This section of the guide will explain what services you can expect from the Council’s Payroll team.

Upon receipt of a ‘New Employer Information Sheet’ from the Choosing and Purchasing team, the Payroll team will:

- Use the HMRC online system as an Agent on your behalf to register you as a New Employer
- Obtain your new Tax Reference Code (PAYE) from the HMRC
- Input all the relevant data into the Council’s payroll system

Upon receipt of a ‘New Employee Details’ sheet:

- Set up your new Employees on the Council’s payroll system

Upon receipt of timesheets received from you, the Payroll team will:

- Check the timesheets are fully and accurately completed
- Input the timesheet data into the Council’s payroll system
- Calculate pay and deductions based on the timesheet information provided
- Provide your employee’s with an electronic system to download their payslip online
- Provide you with a payroll summary sheet that will detail pay and deduction information, including that which you are required to pay to the HMRC
- Provide you with HMRC payment slips (only for those that do not make online or direct debit payments to the HMRC)
- Send monthly pay and deduction information, via the Council’s payroll system, directly to the HMRC. This includes communicating ‘nil pay’ submissions.
- Submit year-end returns for your Employees to the HMRC
3. What You Must Do for the Payroll Service

This section of the guide will explain what you as the Employer must do to communicate Employee Payroll information (hours and pay rates) to Stockport Council’s Payroll department.

- Provide a fully completed ‘New Employer Information’ sheet (this should be sent to the Choosing and Purchasing team in the first instance)
- Provide a fully completed ‘New Employee Details’ sheet for all new people you employ
- Provide either a P45 or a fully completed New Starter Checklist form (see Appendix B)
- Send fully completed timesheets to the Payroll team by the given Payroll deadline dates. Please note, you must allow yourself time to submit timesheets prior to the deadline date if posting them in or handing them in at Fred Perry Reception. Timesheets handed into reception may not make their way via the Council’s internal postal system to the Payroll team in time for the deadline date.
- Inform the Payroll team if:
  - You have a change of address, contact telephone number or email address
  - You no longer employ one of your Employees (see Appendix C)
  - You are no longer the Employer

**NOTE**

You will be supplied timesheets to complete for your Employees. Timesheets must be fully completed in order for them to be processed. Please do not assume the Payroll Service will know what hours or hourly rates you pay to your Employees. You must always include the information as requested on the timesheet.

Please see Appendix A for examples of correctly and incorrectly completed timesheets. Please note, only correctly completed timesheets will be processed.
4. What You Must Do for Your Employee and the HMRC

This section of the guide will explain what you as the Employer must do to communicate Payroll information to your Employee and the HMRC.

**Employee**

- Pay your Employee the **NET** figure provided on your Payroll Summary sheet
- Pay them any statutory payments they are entitled to (SSP; Maternity; Paternity)
- Can access their payslip via an online system that can be accessed 24 hours a day

**HMRC**

- Ensure HMRC payments are sent to them each month. **It is a statutory obligation by you as the Employer to send your payments to the HMRC no later than the 19th of the following month. Failure to do so may result in interest and a penalty sum being charged on the amount due.**

**NOTE**

Once the Payroll team have processed your Employee timesheets, you will receive a Payroll Summary sheet that will show you any Tax and/or NI you need to pay over to the HMRC. Currently, payments can be submitted in the following ways:

- **Paying-in Slip**
  You can complete a Paying-In Slip and take this with your method of payment (Cheque or Debit Card) to your Bank, Building Society or Post Office

- **Covering Letter**
  You can send a Cheque to the HMRC with a covering letter that contains the same information as a Paying-In Slip.

- **On-line Payment**
  You can pay online using the Internet. This is the quickest most efficient method of making your payments.

**Please note:** New Employers will no longer receive an Employment Payment Booklet (Paying-In Slip) unless this is requested directly from the HMRC. The HMRC anticipate the majority of payments to be made online.
5. Additional Information

This section of the guide provides you with additional information and contact details that you may find useful.

**Additional Information**

The Payroll team will provide you with all the services outlined within this document. Please see details below of who to contact.

**The Choosing and Purchasing Team:**

- HR-related queries. For example, holiday and sickness entitlement
- Blank timesheets
- Queries relating to your Direct Payment money/allowance
- Queries relating to the recruitment of new employees
- Queries relating to the termination of employees
- Queries relating to payment rates

**The HMRC:**

- Queries relating to payments made to the HMRC
- Queries relating to over or underpayments made (including the refund of any deductions)

**The Pension Regulator**

- Queries in relation to your Employer Duties under Auto-Enrolment

**Useful Contacts**

**The Choosing and Purchasing Team:**

Email: choosing&purchasing@stockport.gov.uk
Telephone: 0161 218 1953

**Central Services Team (Payroll Service):**

Email: direct.payments@stockport.gov.uk
Telephone: 0161 474 4777 (Option 3, then Option 4)

**HMRC:**

Telephone: 0300 200 3200
Website for payment options: https://www.gov.uk/pay-paye-tax/overview

**The Pension Regulator:**

Email: customersupport@autoenrol.tpr.gov.uk
Telephone: 0845 600 1011