

UK Pay: Hours On Payslips

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Hours on Payslips (April 2019)

Current legal requirements

Current legal requirements for UK payslips are limited.

As a minimum the following are required:

- Earnings before and after deductions
- The amounts for deductions which may change from period to period

Fixed deduction amounts can be provided as part of a separate statement.

In reality the payslip often shows:

- Fixed deductions
- Employee information
- Employer provided information



Print

History

2017

29 Sep - Normal

31 Aug - Normal

31 Jul - Normal

30 Jun - Normal

31 May - Normal

28 Apr - Normal

31 Mar - Normal

28 Feb - Normal

Help

This is the **Payslip** page.

Click or touch any items in the Pay & Allowances, Deductions or Totals & Balances columns to see a fuller explanation.

KEY:

- - Not Taxable
- ▼ - Non Deductible
- - Part Payment
- ▲ - Non Payable
- - Non NTable

My details

Employee No.	1000002	NI Class	A	Tax Reference	951/JB12345
Employee Name	J FERGIE	NI Number	JN341827A	SSO Number	1000002
Payslip Date	29/09/2017	Pay Group	9999	Company Name	PNP INC.
Annual Salary	£69,999.96	Department	HR	Hourly Rate	£38.46
Pay Method	Cheque	Building Society Ref		WIN Number	123456H
Sort Code	330504	Cost Code	0000013	Tax Group Name	Penguins Not Polar Bears
Account Number	01290034	Category	D	Alternate Reference	REF0001201
Pay Frequency	Monthly	Class	4	Contract Hours	35.00
Tax Code	K135	Date of Birth	03/05/1963		
Tax Basis		Gender	M		

Pay & Allowances

BASICPAY	£5,833.33
BONUS	£500.00
SAL EXCH	-£175.00

Deductions

Income Tax	£1,950.47
N.I.	£416.57
(ERS PEN)	£175.00

Totals & Balances

ERS PEN	£1,050.00
N.I.	£2,516.37
Income Tax	£12,040.80
Taxable Gross	£37,798.06

TOTAL	£6,158.33	TOTAL	£2,367.04	Net Pay	£3,791.29
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Messages

Dear colleagues, your Christmas pay dates will be on week commencing 18th December.

Our charity ball tickets now on sale! Please email admin@sdworx to book your place and find out more!

Change in Law

Made 7th Feb 2018
Effective 6th April 2019

2018 No. 147

TERMS AND CONDITIONS OF EMPLOYMENT

The Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) Order 2018

Made	7th February 2018
Laid before Parliament	8th February 2018
Coming into force	6th April 2019

The Secretary of State, in exercise of the powers conferred by sections 10 and 236(5) of the Employment Rights Act 1996(1), makes the following Order.

Citation and commencement

1. This Order may be cited as the Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) Order 2018 and comes into force on 6th April 2019.

Amendment to the Employment Rights Act 1996

2. In section 8(2) of the Employment Rights Act 1996—

- (a) in paragraph (c), omit “and”;
- (b) at the end of paragraph (d) insert—
“and
- (e) where the amount of wages or salary varies by reference to time worked, the total number of hours worked in respect of the variable amount of wages or salary either as—
 - (i) a single aggregate figure, or
 - (ii) separate figures for different types of work or different rates of pay.”

Application

3. The amendments made by this Order do not apply in relation to wages or salary paid in respect of a period of work which commences before this Order comes into force.

7th February 2018

Andrew Griffiths
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy

Check Your Payroll & Hours



Hours breakdown – may already be a standard feature:

- Printed payslips
- And available to the user via online payroll documents

The Employment Rights Act 1996 (Itemised Pay Statement) (Amendment Order 2019)

“where the amount of wages or salary varies by reference to time worked’, the total number of hours worked in respect of the variable amount of wages or salary either as –

- (i) a single aggregate figure, or
- (ii) Separate figures for different types of work or different rates of pay.”

Variable!

What hours?

What does not vary hours
(i.e. hours not worked):

- Salary
- Starters
- Leavers
- Absence (holiday, sickness etc)

What varies hours
(i.e. hours worked):

- Additional hours to contractual
- Zero hours contract (all hours)
- Overtime (base)
- Piece work
- Per diem

Its not about time not worked, but time worked

BEIS examples

1. Salaried with no variable time
2. Salaried with variable time
3. Hourly paid worker
4. Hourly paid worker with additional premium hours
5. Term time workers
6. Day rate workers
7. Salaried worker taking unpaid leave
8. Hour worker on SSP

The Challenges with Pay Hours?

Hours and overtime premiums – how do you pay them?

- Cash only (where are the hours)
- Hours times a premium rate (no problem)
- Or multiplied hours at standard rates (so the hours are not really hours paid)

What about hours use with holiday and sickness?

And hours not paid does that count?

The Challenges with Pay Hours?

So 10 @ time and a half @£10
How do you process?

1 - 10.00 @ £15.00 = £150.00



2 - 15.00 @ £10.00 = £150.00



Or

3 - £150.00



SD Worx existing product option

Current live payslip already fully covers the options for display of hours

i.e. Separate figures for hours for different work.

Pay Journal

Payroll Name :	SD Worx Pay Journal Example	Payroll Number :
Period Run Type:	Live	Tax Yr/Period :
Credit Date :	31 Jan 2018	Next Credit Date :

Pay and Allowances		Deductions		Balances
BASICPAY	336.07	Income Tax	0.00	Income Tax
(47.67 x 7.0500)		NAT. INS	0.00	NAT. INS
LOSTTIME	-0.84			Taxable Gross
(-0.12 x 7.0500)				BASICPAY
ADDL HRS	49.99			LOSTTIME
(7.09 x 7.0500)				ADDL HRS
				CNTD HRS
				HOL XTRA
				AVG HOL
Total	385.22	Total	0.00	Net Pay

SD Worx product option – Single figure for hours

W001 – Additional This Time Variable Hours

W002 – Reduce This Time Variable Hours

W005 – Override This Time Variable Hours

This will result in the accumulated hours this time being applied to the pay statement

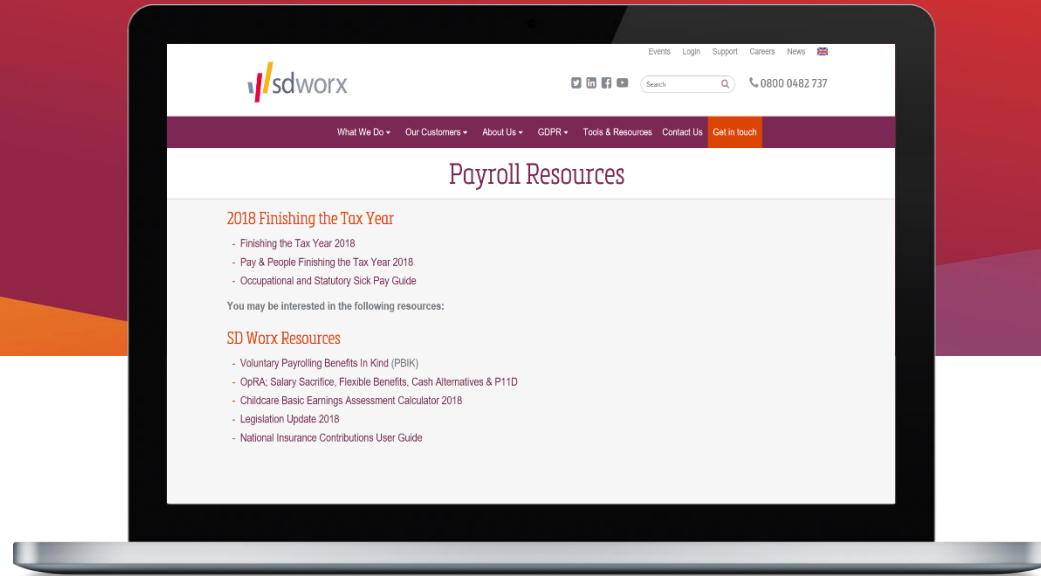
Use this for cash, per diem, Piece Rate etc payments where pay is not calculated by hours payment input data

What needs to be done?

1. Check time worked is recorded
2. Check the format of time data (it is real time and not notional time or premium time)
3. Check time data is passed to Payroll
4. Check that time data is printed on the payslip either as:
 - One total of variable hours worked
 - Breakdown of individual hours

Payroll Resources

Sdworx.co.uk/tax-year-end



Questions?



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