

# Compliance

# Health Check

As a compliant Outsourced Payroll Provider we pride ourselves on compliance as we feel it is all too easy for Recruiters to fall into the trap of just using any Umbrella Company because of what they say they can offer which isn't always compliant.

As a member of a number of industry-leading compliance bodies, we ourselves, have to adhere to strict codes of conduct, in order to make sure that we remain compliant at all times.

If you, as a Recruitment Agency, use a non-compliant company, then you could leave yourselves wide open to financial penalties from the debt transfer legislation, which could be very costly indeed.

### So why put yourself at risk?

To help you as a Recruiter, ePayMe Ltd have put together a quick checklist that will aid you in your due diligence when choosing your preferred suppliers (PSL).

Make sure you get it right, get it wrong and pay the consequences!

For more information please contact a member of our team on **01252 863700**, or email us at [info@epayme.co.uk](mailto:info@epayme.co.uk).

**As an employer, you have an obligation to ensure that your employee's have a right to work in the UK, which cannot be confirmed without making the necessary checks. Failure to determine an employee's right to work could result in penalties of up to £20,000 per illegal worker employed.**

### With this in mind be sure to ask the following when choosing your preferred supplier:

- Do you have processes in place to confirm both the identity and right to work of each employee?
- What documents do you require to confirm the identity and right to work in the UK of each employee?

*(These should include: a British Citizen Passport or a British Driving licence or a UK issued photo identification card. If one of these cannot be supplied further documentation will be needed to confirm identity and ePayMe will ask for a copy of Full Birth Certificate along with an official document showing permanent National Insurance number along with proof of address which can either be a utility bill or bank statement within the last 3 months. Visa and work permit requirements differ from country to country. You may also see various work restrictions on such visa's and work permits)*

*efficient, phenomenal, meticulous*  
are just some of the words used to describe us!

**At ePayMe we provide all new employees with a Welcome Pack which contains:**

- |  |  |
|--|--|
|  A Contract of Employment |  Starter Checklist and P46 Business   |
|  Pay and Expenses Guide   |  Expenses Policy  |
|  Payroll Overview         |  Details of the requirements needed to confirm identity and a right to work in the UK |

**All contracts, are referred to as 'over-arching'. This effectively links individual assignments so that there is continuity of employment and should contain the following:**

- Is there mutuality of obligation in the gaps between assignments?  
*(HMR&C believe that, in order for an over-arching contract to exist, there must be an obligation throughout the entire employment and this includes any periods when the individual is not on assignment)*
- Are there guaranteed hours of work?  
*(HMR&C believe that employment contracts which guarantee 336 hours work in any 12 month period are likely to be overarching)*
- Is the employee given details of grievance and disciplinary procedures and is the Employee made aware of Health and Safety policies?
- Will the Contract of Employment be terminated when this assignment comes to an end?
- What is the notice period required to terminate the contract?
- How many days holiday is the employee entitled to?
- Is holiday pay included in the employees' earnings each week/month?  
*(No, this is referred to as 'rolling up' holiday pay and is unlawful. Holiday pay should be shown as a separate entry on the payslip and should be paid only when the employee has taken holiday or they have opted out to having their holiday entitlement retained)*

**Things to consider when it comes to expenses:**

- Do they take into account Supervision, Direction and Control and have processes in place to assess this according to the Travel and Subsistence Legislation of April 2016?

Please ask to see a copy of their assessment processes, as some Companies claim that expenses can be claimed, when in fact they cannot.

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**w:** [www.epayme.co.uk](http://www.epayme.co.uk)

**t:** 0800 622 6119

**e:** [info@epayme.co.uk](mailto:info@epayme.co.uk)

How are expense claims validated?

(ePayMe conduct weekly spot audits of expenses based on a percentage of those employees paid in any one week. Receipts are randomly requested from a selection of employees as further verification for claims. We also check to make sure that the employee has not worked at the same location, or will be working at the same location, for a period of 24 months or more. Any expense for travel should be verified by checking the start and end location and confirming that the amount claimed is reasonable for that journey).

If an employee is not on assignment, are expense claims allowed?

*(Expenses can only be allowed for costs which have been incurred wholly, necessarily and exclusively when on assignment)*

If expense claims are believed to be invalid are they processed?

*(No, they will not be processed and the employee will be advised of this and the reason why)*

Do you allow expense claims for travel from employee's whose intention is to only work on one assignment whilst in your employment?

*(No, even under an over-arching contract of employment, a single assignment will become a permanent workplace rather than a temporary workplace and therefore expense claims for travel will not be allowable)*

### Things to consider regarding Tax Liability/Avoidance

Please ask if they or any of its Directors have any outstanding tax liabilities.

Make sure that the Umbrella company does not make use of any sort of Offshore Tax Avoidance schemes to process payments to employees.

Confirm that all payments made to employees are through PAYE.

### If asking for pay calculations or comparisons please consider the following:

What tax code has been used?

Is their margin included in the calculation. If so, is it clearly shown?

Does the calculation state that the figures provided are an estimate and not actual earnings?

Are expense claims processed if it would result in making a payment below minimum wage?

Do they pay Statutory payments?

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# The Agency Worker Regulations

The Agency Worker Regulations came into force on 1st October 2011 and will affect hirers, recruitment agencies and umbrella companies. You should ensure that any umbrella company you intend to work with has made provision for the introduction of this legislation.

If your umbrella company is operating a Swedish Derogation Model, you should make certain that the contract has a clause that makes employees aware of the fact that they are waiving their rights under section 5 of the Agency Worker Regulations in so far as they relate to pay.

For more information please visit: [www.epayme.co.uk](http://www.epayme.co.uk) or call **01252 863700** and a member of our Customer Services Team will be happy to assist you and you can always email any question you may have to [info@epayme.co.uk](mailto:info@epayme.co.uk).

## Some of the benefits for your Contractors working through ePayMe are:

-  No joining or leaving fee's.
-  Professional Indemnity, Public Liability and Employers Liability insurances provided.
-  Our 'Mobile Friendly Online Portal', allows contractors to submit expenses, upload receipts straight from a mobile device and view payslips/Tax documents on the go.
-  Open Mon - Fri 9:00am - 5:30pm and Saturdays\* from 10:00am - 4:00pm.  
*\* Subject to change*
-  Out of hours 24/7 email support.
-  Experienced Customer Services Specialists to assist throughout any aspect of the employment and pay process.
-  Fast registration, fast payments and unrivalled customer services makes us a **True Market Leader**.
-  Low cost Daily, Weekly, Biweekly and Monthly margins.

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