

Our Ref: «LMCLirisIdentifier» - «LMCLName»

SCHEDULES OF SERVICES

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

PAYROLL, REAL TIME INFORMATION (RTI) REPORTING, YEAR END RETURNS AND AUTO-ENROLMENT

The purpose of this schedule is to set out the basis on which we act as accountants and advisors with regard to operating your payroll, including ongoing auto-enrolment pension services if applicable, and to clarify our responsibilities in respect of that work.

1 Your responsibilities

- 1.1 You are legally responsible for the accuracy of these returns. You agree to provide us with complete and accurate information regarding your employees and payments due to them, whether or not tax is to be deducted. It is vital that we are provided with correct and accurate data for each employee **before** their first wages payment is made.
- 1.2 Our payroll team will provide you with specific details of the information we require and when we need to have this information from you. You agree to provide the information they request. You recognise that where information is not provided to us within the timeframe we outline, we are not responsible for any delays for payments to employees or HMRC. Similarly, we are not responsible for any penalties imposed by HMRC.
- 1.3 You will be responsible for managing any childcare scheme operated for the benefit of your employees and for contacting where you require advice as to available exemption levels.
- 1.4 You will be responsible for completing the checks on a new employee's eligibility to live and work in the UK in accordance with the Governments Code of Practice *Preventing Illegal Working* and the *Asylum and Immigration Act 1996, s 8*.
- 1.5 You will be responsible for monitoring the annual leave entitlement of your employees and dealing with all aspects, legal or otherwise, of being an employer. In particular, you will be responsible for ensuring that your workers are paid at least the National Minimum Wage.
- 1.6 Regarding auto-enrolment on workplace pensions if applicable, you will provide all new staff with the required auto-enrolment information. In addition, you will provide us with complete and accurate information regarding:
 - (a) Your employees and pension contributions due from them;
 - (b) Details of your employer contributions;
 - (c) Information of all new staff, including their auto-enrolment status, before you first pay them;
 - (d) If an employee changes their status regarding auto-enrolment, or details of any changes in employee working so that we can determine whether the employment status has changed in relation to auto-enrolment; and
 - (e) The performance of spot-checks on the information that we hold in order to monitor its accuracy.

2 Our Responsibilities as accountants

- 2.1 We will prepare your UK payroll for each payroll period to meet UK employment tax requirements, specifically;
- (a) Calculating the pay as you earn (PAYE) deductions;
 - (b) Calculating the employee's National Insurance Contributions (NIC) deductions;
 - (c) Calculating the employer's NIC liabilities;
 - (d) Calculating statutory payments, for example Statutory Sick Pay and/or Statutory Maternity Pay;
 - (e) Where applicable, calculating the pension contributions (employer and employee); and
 - (f) Calculating other statutory and non-statutory deductions.
- 2.2 We will prepare and send to you the following documents for each payroll period at or before the time of payment:
- (a) A payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals. This summary will also show, where relevant, the other details that will be submitted online to HMRC on or before the employee payment dates – see below;
 - (b) A payslip for each employee unless not required;
 - (c) A P45 for each leaver;
 - (d) A report showing your PAYE/NIC liability and due date for payment, and
 - (e) Where applicable, a report showing your pension contributions so as to meet the requirements of the workplace pension automatic enrolment regime.

You must let us know, immediately and prior to the employee payment dates and HMRC reporting dates (see below), if you believe any of the data shown in these documents is incorrect.

- 2.3 We will prepare your Full Payment Submission (FPS) reports including all details required and based on the information provided by you. We will submit the FPS reports to HMRC prior to or at the time that employees are paid. Where you have no payments to make to HMRC in a particular month (or the payment you are making to HMRC has been reduced by statutory payments or construction industry scheme deductions suffered), we will prepare and submit the required Employer Payment Summary (EPS). If an error is made with regard to an earlier tax year, an Earlier Year Update (EYU) report may be required.
- 2.4 If you operate within the construction industry you agree to provide us with details of construction industry scheme (CIS) deductions suffered that you wish to offset against your PAYE payments to HMRC (company subcontractors only). This information must be received for each "tax month" (tax months run from the 6th of the calendar month to the 5th of the calendar month) and by the 19th of the month in which the tax month ends. In addition, if you are a contractor within the construction industry but we are not providing services in regard to the operation of your CIS scheme, you agree to provide us with details of the CIS deductions you have withheld in each tax month, if you wish us to advise you of the total amount due to HMRC (CIS and PAYE taxes combined).

- 2.5 As you are legally responsible for the accuracy of these returns, you must review the payroll summaries that we send to you and inform us if any of the information that we hold is incorrect:
- If we don't hear from you **before** the FPS (or EPS) submission date, we will take that as your approval for us to submit the return.
 - If you require us to make a correction **after** the FPS (or EPS) has been submitted, you will let us know as soon as possible and, ideally, before the next payroll run.
- 2.6 At the time of your final payroll report (FPS or EPS) for each tax year, we will make the necessary declarations and indications to HMRC and liaise with you were any of the information is not available to us. We will subsequently send you form P60 for each employee on the payroll at the year end.
- 2.7 We will deal with and, where necessary, process any adjustments to your payroll communicated to us by HMRC (this may be, for example, updated tax codes and identified National Insurance numbers). Please let us know if you require a copy of such correspondence.
- 2.8 Where relevant, we will also prepare and send to you for approval the end of year forms E92 and E89 for the 'regional Employer National Insurance Holiday' in time to meet the statutory due dates. We will then submit the forms with HMRC.
- 2.9 Where required, we will assist you in calculating an employee's weekly exemption limit for childcare benefit purposes.
- 2.10 We will also provide such other taxation ad hoc and advisory services linked to your payroll as may be agreed from time to time. These services may be the subject of a separate engagement letter. Examples are:
- Dealing with any enquiry opened into the payroll returns by HMRC.
 - Preparing any amended returns which may be required and corresponding with HMRC as necessary.
 - Conducting PAYE and benefit health checks.
- 2.11 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.
- 2.12 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
- 2.13 We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given.

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Signature.....

NAME:

DATE: