

Education Update: Payroll & Pensions

Delivered by Bev Priest, Head of Payroll & Pensions, EPM and Claire Radbone, Pensions Manager, EPM



Agenda

- Extension to the Coronavirus Job Retention Scheme (CJRS)
- Off-payroll working
- Rates and threshold changes
- McCloud judgement

Bev Priest, Head of Payroll & Pensions

Bev, our Head of Payroll & Pensions, is a qualified Member of the Chartered Institute of Payroll Professions (CIPP) and has over 25 years' payroll experience, with the last 18 years in the education sector. As winner of the CIPP Manager of the Year (2019) she currently works with 1,800 Schools, Academies and Trusts and over 70 pension funds to support delivery to our customers. Since joining EPM in 2002, Bev has focused on compliance and the continuous development of our service – resulting in the company's re-accreditation with the CIPP Payroll Assurance Scheme in 2020.

Claire Radbone, Pensions Manager

Claire is our Pensions Manager and, having crossed over from Payroll, has invaluable experience of understanding both processes across the company. She has been with EPM since 2012 and is CIPP qualified in Payroll Management. Claire has extensive knowledge of the complexities of LGPS and TPS requirements (in regards to the various data reporting needs), oversees our auto-enrolment process and has a focus on the transfer of data between EPM and the pension funds that we work with.

Extension to the Coronavirus Job Retention Scheme (CJRS)

- The Coronavirus Job Retention Scheme began in March 2020, now extended until the end of September 2021 as part of the March Budget
- Employees must continue to receive 80% of their usual wages until the scheme ends
- Employers will gradually pay more and are expected to pay employer National Insurance Contributions and minimum employer auto enrolment pension contributions on furlough pay
- Until the end of June 2021, the Government will continue to pay 80% of hours not worked
- In July this will reduce to 70%, employer to pay 10%
- August and September, reducing to 60%, employer to pay 20%
- From 1 May 2021, employee must have been included on a Real Time Information (RTI) submission between 20 March 2020 and 2 March 2021
- Claims must be made by 15th of following month



Off-payroll Working Rule Changes

- Off-payroll working' rules have been in force for the public sector since April 2017
- From 6 April 2021, changes that were delayed due to the Coronavirus (COVID-19) pandemic, come into effect
- Use the Check Employment Status Tool (CEST) available from HMRC to assist in determining the employment status
- You must notify the worker of the determination using a Status Determination Status
- If off-payroll working rules apply, you are responsible for deducting and paying associated employment taxes and National Insurance Contributions (NICs) to HM Revenue & Customs (HMRC)
- Disagreements to the determination must be responded to within 45 days of receipt



Rates and Threshold Changes for 2021-22

1 April 2021

- National Minimum Wage (NMW) increased
- National Living Wage (NLW) increased and applicable to those aged 23+ (previously 25+)

4 April 2021

Weekly rate for statutory adoption, bereavement, maternity, paternity, shared parental pay will be £151.97 or 90% of employee's average weekly earnings if lower

6 April 2021

- The standard tax code increases to 1257L, frozen until 2026
- An updated starter checklist for new employees who do not have a P45 available from gov.uk

- Local Government Pension Scheme (LGPS) and Teachers' Pension Scheme (TP), no change to employee contribution rates but bandings increased
- Full details will be available from the Payroll & Pensions Bulletin April 2021

McCloud – Deferred Choice Underpin (DCU)

- The McCloud judgement upheld the age discrimination of reforms to the public sector pension schemes by the Government in 2014 for LGPS and 2015 for TP
- The Government confirmed changes to be made to all main public service pension schemes
- Consultation launched offering two options – immediate choice or deferred choice underpin
- Discrimination to be addressed via deferred choice underpin but the impact on school budgets is not yet known
- Update on the 2016 and 2020 valuations, published on gov.uk

In summary:

- Cost control element of 2016 valuations will use deferred choice underpin
- No reduction in member benefits as a result
- Any changes to employer contribution rates for most unfunded schemes following the 2020 valuations will not come into effect until 2024

As a result of the changes confirmed by Government in February, additional information may be required by some administering authorities

Live Q&A Session – 20 April

Join our experts from EPM, Avec and Southalls on
Tuesday 20th April from 2.00 - 3.00pm

We will be discussing the following topics:

Governance
Finance
Health & Safety
HR
Payroll
Safer Recruitment
Wellbeing

You can submit your questions in advance or ask them
live on the day.

We look forward to seeing you there!





Thank you for joining us

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