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Welcome to January's PayrockPayroll update. Coming up in this month's edition...

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Hi

I hope you all had a happy and peaceful Christmas and New Year break and are looking forward to 2023. There hasn't been too much payroll news over the last month, meaning January's newsletter is short and sweet. But I want to start with a preview of MBKB's National Apprenticeship Week celebrations

National Apprenticeship Week 2023

Here at MBKB we're passionate about apprenticeships, and we take every opportunity to shout about them from the rooftops. A paid position combining hands-on work with the opportunity to train and obtain qualifications, what's not to love!

We are excited to be supporting National Apprenticeship Week between 6-12 February 2023. The 16th annual week-long celebration of apprenticeships brings together businesses and apprentices across the country to shine a light on the positive impact that apprenticeships make to individuals, businesses and the wider economy.

This year's theme is "Skills for Life" reflecting on how apprenticeships can help individuals to develop the skills and knowledge required for a rewarding career, and businesses to develop a talented workforce that is equipped with future-ready skills.

To celebrate National Apprenticeship Week MBKB is holding a series of events across the week, and we would love you to join us.



From Apprentice to Tutor

Your opportunity to talk to two of our amazing tutors who will take you through their journey from being an apprentice to becoming a tutor, how they support and develop individuals and build bespoke programmes, along with the benefits and bonuses of an apprenticeship scheme.

Employer's Strategy and Networking

Join with other apprentice employers to discuss the benefits of employing an apprentice, as well as any challenges you face. Work together with MBKB to design programmes and solutions to meet your needs. Design and shape how to utilise your Levy pot to maximum effect for team and individual development.

Apprentice's Strategy and Networking

A chance for you to interact with other apprentices, share stories and experiences. Engage with tutors to discuss your programme, what works well, what you would like more of, and how to maximise your personal development. This is a great opportunity for you to network and develop the next range of programmes, all in a relaxed, informal meeting.

Payroll Apprenticeships with IPP and MBKB

Talk to MBKB and IPP (a subsidiary of CIPP) about our apprenticeship collaboration, the End Point Assessment and our combined role within the future of payroll training.

[Click](#) here to register for any of these events and join the celebrations.

All change for holiday pay...again?

Changes to the rules for calculating holiday pay were introduced following the long running case of Harpur Trust v Brazel and you may recall that this case has featured in many of our PayrockPayroll newsletters over the last couple of years. However, with the Supreme Court ruling last year, the position was finalised. Or was it? Earlier this month the government launched a consultation document addressing the anomalies which arose following last year's judgement.

The law as it stands now, following the [Supreme Court ruling](#), says that part-year workers should receive 5.6 weeks' statutory holiday pay. This means that workers with a continuing contract, but who only work for certain periods, such as term-time workers, must have their holiday pay calculated in the same way as employees who work the full year, rather than pro-rated. This is at odds with the method of calculation for those who work part-time hours throughout the year, who do have their entitlement pro-rated. This anomaly means that a part-year worker could receive significantly more holiday pay than a part-time worker despite them working the same number of hours across the year.

When publishing the consultation, BEIS, the Department for Business, Energy and Industrial Strategy, said its intention was "to ensure that their holiday pay and entitlement is directly proportionate to the time they spend working".

The consultation suggests introducing a 52-week holiday entitlement reference period, which would bring calculations in line with entitlements received by part-time workers who work the same number of hours across the year. This period would include weeks in which workers did not work, such as those who only work during term time.

It also proposes simplifying how entitlement is calculated, legalising the method whereby employers work out 12.07% of total hours worked across working and non-working weeks.

The consultation closes on 9 March, rest assured, I will keep you updated on its progress.

Problems paying PAYE by variable direct debit

It's been three months since HMRC launched a direct debit option for paying PAYE, so I suppose we should have expected some teething problems.

For years employers have requested the option to pay by variable direct debit, this new functionality means that HMRC can collect the following charges on receipt of the returns:

- Full Payment Submission
- Employer Payment Summary
- Construction Industry Scheme
- Apprenticeship Levy
- Class 1A National Insurance
- Earlier Year Update

As well as not needing to remember to make timely payments, another advantage of this process is that the employer gets to keep the funds in their bank account for a little longer because, although the normal payment date for electronic PAYE payments is the 22nd of the month, with variable direct debits, HMRC takes payment from the employer's account on the 23rd of the month, though this date can be later in some months if the date falls on a weekend.

As we all know, late payment attracts an interest charge, and somehow or other, HMRC hasn't quite linked these two elements together, hence some employers using variable direct debit are now receiving late payment notices telling them to make payment.

The variable direct debit process is triggered by HMRC sending an advance notification to the employer on the 20th of the month. If that is not a working day the notification will land on the next working day. The money is then collected three working days after the notification arrives, but only as long as the collection day is also a banking day, otherwise it will be collected on the next banking day after that. This all means that it could very well be after the 23rd of the month by the time the payment is processed on to the employer's account.

A late payment interest charge will appear on HMRC's Employer Liabilities and Payments account which is then reversed, provided the direct debit is collected on the first application.

HMRC has been made aware that it should not be issuing these messages if the PAYE bill was successfully collected at the first attempt. Accepting this, HMRC regrets that they didn't factor this in when the variable direct debit service was designed, but has said it will make changes to correct this, although it may take some months.

Payroll – A land of opportunities



So many people say that they "fell into payroll" but it's remarkable just how many people, once they have found their profession, are passionate about payroll.

I believe it is because it's such a satisfying job, after all, we're paying people! But also, because there are so many different pathways to be explored.

Working in a payroll bureau can bring different challenges to working in an in-house payroll team, and perhaps you will work in both during your payroll career, but one thing is for certain, whichever path you choose, it can lead you to a land full of career opportunities.

Whether you are just starting out in your payroll, or are considering your options and looking for other challenges, join me and Barry Matthews, founder of Bureau Strategy, at 10am on Thursday 26 January as Barry gives an insight into the exciting opportunities that await you in payroll.

[Register your place on this webinar here](#)

PayrockPayroll Update

Payroll support helpdesk available to PayrockPayroll members

As payroll processing gets ever more complicated, we know that, much as we would like to, none of us can know everything, and here at PayrockPayroll we want to help. As a PayrockPayroll member you have access to our payroll support helpline. Several of you have already used this service, all you need do is email your query to payrollsupport@mbkggroup.com but please remember to write your membership number in the subject line, it was included in your membership pack email.

As a reminder, your Tier 2 PayrockPayroll membership includes:

- Payroll Update sessions – Online monthly
- PayrockPayroll e-newsletter – Monthly
- Payroll helpdesk / support - 10 queries
- 1 x short course delivery
- PayrockPayroll - Annual Industry Festival

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