

Wages and Pay

Key points

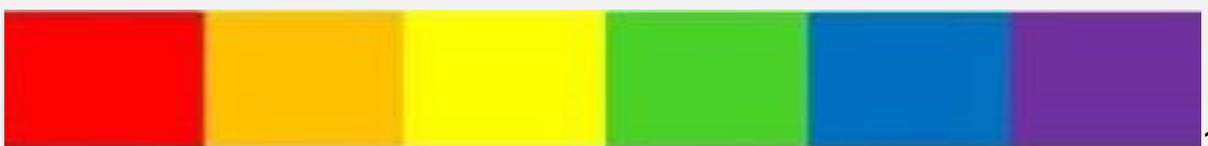
1. Employees have the right to receive an itemised pay statement (or payslip) when or before they are paid.
2. Some people do not have a right to an itemised pay statement. These generally include: people who are self employed, some contractors.
3. You must pay your staff a fair wage for the work they are doing. This must be equal to or above the statutory minimum wage.
4. Where applicable you must make sure you deduct Income Tax and National Insurance Contributions from your employee's pay.
5. Where applicable, you may need to pay Statutory Sick Pay (SSP) or Statutory Maternity Pay (SMP).
6. You should consider paying extra for working unsociable hours, weekends and bank holidays.
7. All employees are entitled to 5.6 weeks paid holiday (pro-rata) per year.
8. Decide when to pay wages: Weekly or Monthly and how: By Cheque or Standing Order/Direct Debit (from your bank account directly to the employee's account)
9. When appointing staff you should have discussed with them their terms and conditions of work, which includes rates of pay; when and how wages will be paid and hours of work, duties etc. which are usually contained in a Contract of Employment . You need to decide what you consider is a fair wage for the job, when you will review the rate and give pay rises.

Remember you must pay the Statutory Minimum Wage.

In October 2015 the Minimum Wage will change to:

For employees aged:

- 16 to 17 £3.87 per hour
- 18 to 20 £5.30 per hour



- 21 up £6.70 per hour

(Note: It is however, very difficult to recruit and retain good quality personal assistants if you are only paying the minimum wage.)

This advice sheet will give some guidance about being a *good employer* and it will detail the minimum legal requirements.

Being a Good Employer

Key Points

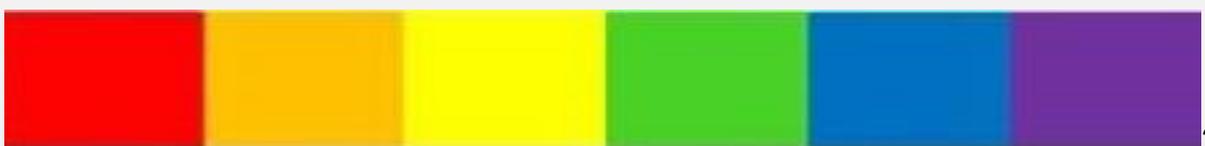
- Pay a fair wage
- Pay employees equally for equal or broadly similar work
- Pay regularly and on time
- Keep a clear record of the hours worked and monies paid
- Keep signed receipts /payslips and give employees a copy
- Cover any expenses that their personal assistant(s) incur on their behalf (asking them to get receipts), including travel, (except to and from their place of work)
- Agree when pay rates and any mileage rates will be reviewed
- Provide a written Contract of Employment
- Keep employees' personal details confidential.

Minimum Legal Requirements

There are regulations in employment and civil rights legislation that you must abide by. These affect how much you pay; what you have to deduct from pay when necessary; what you have to pay for; and how you pay.

Must Do List:

- Inform the Inland Revenue when you take on any employee who is liable to pay National Insurance and, or Tax;
- Deduct Income Tax and National Insurance contributions for Revenue & Customs (HMRC) when required.
- **Please note, you can appoint a payroll service to do this for you.**
- 5.6 weeks per year (Pro Rata) paid holiday
- If and when due; pay Statutory Sick Pay and Statutory Maternity Pay
- Equal Pay for the same Job. This means you **must** pay employees the same rate of pay for a job that is similar or identical, regardless of race, (ethnicity), sex (gender), sexuality (sexual orientation), disability, age, religious belief (faith), and trade union membership.
- **Never** make any **unauthorised** deductions from wages (without consultation, permission or written agreement)
- Take out **Employers Liability Insurance** (refer to No. 4: Insurance)



What do you have to deduct?

You may be required to make deductions for the following:

- Income Tax
- National Insurance Contributions (NIC)
- On rare occasions, deductions made by court order 'attachment of earnings'
- Any sums agreed with employee(s) e.g. Trade Union dues, charitable donations.

Keeping Records

One of your legal duties as an employer towards your employees is to give an itemised pay statement or payslips. These must include:

- Amounts of any deductions
- Gross Pay/Wages (pay before deductions)
- The total amount of deductions
- The net wages or salary, (take-home pay)
- The method of paying.

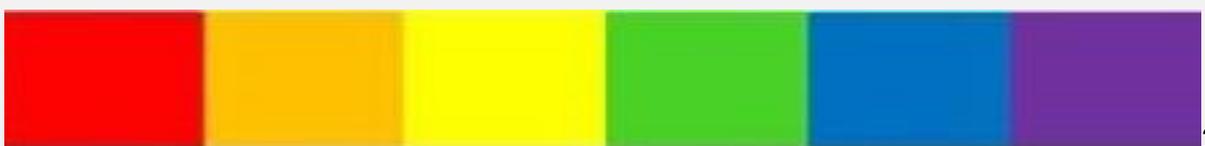
Severance or Redundancy Pay

Employers have a responsibility to make redundancies *fair*. If an employee has worked for you two years or more they are entitled to Statutory Redundancy Pay. The amount of redundancy pay depends on a number of variables and advice should be sought from our Independent Living Team, our details are at the end of this document.

We try to ensure that the information given is accurate, but strongly advise that you check it for yourself.

More Information:

There are more factsheets available at www.directpaymentsouthampton.info that cover all aspects of having a Direct Payment. However, should you require more assistance with this, please contact SPECTRUM's Independent Living Team on 02380 202931 or email help@spectrumcil.co.uk



How to contact us

Telephone: 023 8020 2931

Textphone (Minicom): 023 8020 2649

Fax: 023 8020 2945

Email: help@spectrumcil.co.uk

Address: Unity 12, 9-19 Rose Road, Southampton, SO14 6TE

Main Website: www.spectrumcil.co.uk

Direct Payments Website: www.directpaymentssouthampton.info



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