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| **University of Edinburgh** **Payroll Policy**  |
| **Purpose** |
| The purpose of the policy is to describe how the University of Edinburgh manages the range of Payroll services it provides within the legislative requirements it must comply with.This Policy should be read in conjunction with other University regulations and policies including [Conditions of Service Policies](https://www.ed.ac.uk/human-resources/policies-guidance/conditions-service), [Pay and Reward Policies and Guidance](https://www.ed.ac.uk/human-resources/policies-guidance/pay-reward), and [Leave and absence policies](https://www.ed.ac.uk/human-resources/policies-guidance/leave-absence).  |
| **Scope** |
| This policy applies to all staff in the University Group (including its subsidiary companies) and to sole traders/limited companies who provide a service to the University but due to their employment status their payment is subject to PAYE tax and National Insurance.  |
| **Exclusions** |
| N/A |
| **Roles and Responsibilities** |
| The Payroll Service is responsible for the timely and accurate processing all University Group payroll transactions and for handling payroll related enquiries. All University staff are appointed to the salary scales approved by Court and in accordance with appropriate conditions of service.  All contracts of service shall be concluded in accordance with the University's approved HR practices and procedures. [See Conditions of Service HR policies for further detail.](https://www.ed.ac.uk/human-resources/policies-guidance/conditions-service)All payroll payments to employees and any subsequent changes must be authorised in accordance with the University Delegated Authority Schedule and should be processed the People and Money payroll system.The Accounts Payable Team in Finance Operations are responsible for paying staff expenses and scholarship payments. |
| **Payment of Salaries** |
| Salaries are paid monthly in arrears in equal instalments equivalent to 1/12 of annual salary, with the exception of Guaranteed Hours staff. Part month payments are calculated on the basis of monthly pay, working hours available in the month and hours worked. Guaranteed Hours Staff are paid monthly in arrears on an hourly rate basis, based on the submission of an authorised Time Card in People and Money. Casual workers are paid monthly in arrears, based on the submission of a claim form. Salaries are paid via BACS (Banks Automated Clearing System). Payslips and P60’s for staff are made available online to view via People and Money. Casual workers, or any staff not able to access the application, can receive paper copies of the payslip. |
| **Overtime and additional allowances** |
| For all employees, any overtime, out of hours payments or additional allowances will be paid at the appropriate rate as set out in the Conditions of Service for the applicable staff category and will be stated in staff contract.Academic and Academic Related staff on Grade 6 and above are not entitled to contractual overtime. They may be paid a one-off -Temporary Additional Payment - with approval from the main Budgetholder (Head of School/Director) |
| **Paid Leave and Sickness** |
| University employees are entitled to paid leave in line with the University's leave and absence policies.  |
| **Termination of Employment** |
| Procedures for termination are set out in the Conditions of Service documentation for each staff category: these include the period of notice to be given. After final salary is processed for the employee, Payroll Services produce and issue the form P45 at the end of the month.  |
| **Under/Overpayments** |
| The University of Edinburgh ensure that employees are paid promptly and accurately and have processes in place to prevent underpayments and overpayments. There may be occasions when an underpayment or an overpayment occurs. Any such instances will be corrected as soon as possible.It is an overriding principle that if an overpayment of salary occurs the University will recover the overpayment from the employee. Overpayments are recoverable even when the employee is not at fault and when an employee has left the University. |
| **Debt Recovery** |
| Payroll Services are notified of any debt repayments or salary arrestments by the appropriate agency at the same time as the relevant employee. Any notifications are actioned as instructed by the agent. |
| **Pay as You Earn (PAYE)** |
| Employment tax, primarily Income Tax and National Insurance (NI), is handled on a day to day basis by the Payroll Services Team. The University is required, under the Pay As You Earn (PAYE) regulations, to deduct tax at source from any payments made in the nature of employment. This means that any payments made to individuals for employment purposes will have tax and NI deducted before the payment is made, unless there is a specific exemption for the payment being made. |
| **Self-employed status** |
| Under HMRC regulations the University is legally responsible for determining a workers’ employment status for the purposes of taxation and therefore cannot take the assurance of a worker that they are self-employed or outside the scope of the off-payroll working/IR35 rules. Individual workers who contract directly or indirectly (through agencies via Frameworks) or through their own Limited/Personal Service Companies for the provision of services may be considered to be ‘employed’ by HMRC – and fees raised via invoices subject to tax and National Insurance accordingly. The monthly Payments Payroll allows payments to be made to individuals who worked on behalf of the university but who are not members of the University's regular monthly staff. All payments made via this payroll are subject to tax and National Insurance where applicable under the standard rules and regulations issued by HMRC. Self-employed individuals may be given exemption from PAYE by HMRC after completion of an Employment Status Check Questionnaire obtainable from our Specialist Services SharePoint site. |
| **External Examiners** |
| External examiners up to and including first degree level should be treated as employees. Tax should be deducted at source on fees but expenses may be paid gross. Where the work carried out refers to "higher degrees", then the fees will not be taxable, but will still be subject to N.I. contributions if appropriate. For payments to external examiners, an External Examiner Details (form 95), is completed by the School/Department and submit it via People and Money to HR together with the relevant documentation. Please see External Examiner Guidance |
| **Overseas secondments** |
| There are situations in which University employees will be required, in the course of their work, to visit locations out with the UK. Overseas absences for short periods of time are unlikely to affect residence for tax purposes. If there is any doubt about the residency status of a UOE employee working abroad or of someone coming to work at the University from overseas the Direct Tax Manager or Payroll Services should be consulted. |
| **Equality and Diversity** | The Equality Impact Assessment has been drafted and reviewed The Disability Information Officer is involved in testing the accessibility of the system and its compatibility with assistive technology through implementation and is progressing a number of accessibility issues with the People and Money Team. The assessment will be updated following this assessment. |
| **Further Information/Queries** | Please contact the Head of Payroll Services for further information or if you require this policy in an alternative format.  |
| **Useful links** | [Policies](https://www.ed.ac.uk/human-resources/policies-guidance)[Conditions of Service Policies](https://www.ed.ac.uk/human-resources/policies-guidance/conditions-service)[Pay and Reward Policies and Guidance](https://www.ed.ac.uk/human-resources/policies-guidance/pay-reward)[University's leave and absence policies](https://www.ed.ac.uk/human-resources/policies-guidance/leave-absence). [Employment Status Checks/IR35 Checks](https://uoe.sharepoint.com/sites/FinanceSpecialistServices/SitePages/Employment-IR35-Status.aspx)[Payments to Staff](https://uoe.sharepoint.com/sites/FinanceSpecialistServices/SitePages/Payments-to-Staff.aspx) [Guidance for Managers and Staff On Working Abroad](https://www.ed.ac.uk/human-resources/working-abroad)[Debt Recovery](https://uoe.sharepoint.com/sites/FinanceSpecialistServices/SitePages/Debt%20Recovery.aspx)[Payroll Forms](https://uoe.sharepoint.com/sites/FinanceSpecialistServices/SitePages/Payments-%26-Payroll-Forms.aspx) |

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| **Approval and Review** |
| Date policy approved | 5 April 2022 |
| Final approval by | University Executive |
| Consultations held | HR Policy Development Group |
| Date of commencement of policy | 6 April 2022 |
| Date for review of policy | 3 March 2025 |
| Policy review by | 3 March 2025 |
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| **Version control** |
| **Version** | **Amendment made** | **Approval date** | **Approved by** |
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