

PAYROLL SERVICES

Hilton Walters LLP
08/05/2025



SCHEDULE OF SERVICES

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

Recurring compliance work

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 including at the Scottish rate of income tax if applicable;
 - (b) calculating the employees' 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) calculating reclaims of statutory payment – for example, maternity payments;
 - (f) calculating employee and employer pension contributions for employees and workers who are members of workplace pension schemes (including those who are auto-enrolled) on the basis of the information your provide;
 - (g) claiming employment allowance;
 - (h) calculating, if appropriate, apprenticeship levy;
 - (i) calculating other statutory and non-statutory deductions; and
 - (j) submitting information online to HMRC under real-time information (RTI) for PAYE.
2. We will prepare and send to you the following documents before the time of payment through the payroll or due date for delivering information to HMRC:
 - (a) payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals
 - (b) [the data included within each] full payment submission (FPS) for taxable pay and payrolled benefits for each employee.
 - (c) a payslip for each employee unless not required;
 - (d) a P45 for each leaver;
 - (e) a report showing your PAYE and NIC liability student loan and apprenticeship levy and due date for payment; and
 - (f) a report showing pension contributions payable in respect of each employee to the respective workplace pension scheme(s) of which they are members and the due date(s) for payment.

3. We will submit FPSs online to HMRC [after the data to be included therein has been approved/on the basis of the data provided] [delete as appropriate], by you. FPSs must reach HMRC normally on or before the payday. You must ensure that the data provided to us is complete and accurate, and your attention is drawn to your legal responsibilities as set out at paragraphs 14 and 15 below.
4. For each tax month we will prepare, where appropriate, an employer payment summary (EPS) from the information and explanations that you provide to us. (Examples of EPS data include statutory payments, employment allowance, Construction Industry Scheme deductions, apprenticeship levy allowance allocated to the PAYE scheme, apprenticeship allowance payable to date and confirmation that no payments were made to employees.)
5. We will submit EPSs to HMRC [after the data to be included therein has been approved/on the basis of the data provided] [delete as applicable] by you. (EPSs must reach HMRC by the 19th of the month following the tax month to which they relate). You must ensure that the data provided to us is complete and accurate, and your attention is drawn to your legal responsibilities as set out at paragraphs 14 and 15 below.
6. At the end of the payroll year we will:
 - (a) prepare the final FPS (or EPS) and submit this to HMRC [after the data to be included therein has been approved/on the basis of the data provided] [delete where applicable] by you. (The final FPS (or EPS) for the year must reach HMRC by 19 April following the end of the tax year.) You must ensure that the data provided to us is complete and accurate and your attention is drawn to your legal responsibilities as set out at paragraphs 16 and 17 below
 - (b) prepare and send to you form P60 for each employee on the payroll at the year-end so that you can give them to employees by the statutory due date of 31 May following the end of the tax year
 - (c) [prepare and send to you a statement for every employee for whom benefits-in-kind (BiK) have been payrolled, identifying every benefit provided to each employee during the tax year and the cash equivalent of each benefit treated as PAYE income so you can give them to employees by the statutory due date of 31 May following the end of the tax year (Include if payrolling BiK and your payroll software will not show this information on final payslips for the tax year.)]
 - (d) [give you details of the class 1A NIC on payrolled BiK, which will need to be accounted for on form P11D(b) and the due date for payment (Include if BiK are payrolled and amend if client wants the class 1A figures every month. Modify if practitioner will complete and submit P11D(b))]
 - (e) [give you details of the class 1A NIC on expenses accounted for in the payroll, which will need to be accounted for on form P11D(b) and the due date for payment (Include to pick up expenses accounted for in the payroll for tax but subject to class 1A NIC and amend if client wants the class 1A figures every month. Modify if practitioner will complete and submit P11D(b))]
 - (f) [give you the figures that need to be included on forms P11D to account for income tax in respect of expenses for which class 1 NIC has been accounted for in the payroll (Include to pick up expenses accounted for in the payroll for class 1 NIC but included on P11D for tax – for example, non-business element of home telephone bills in the name of employee. Modify if practitioner will complete and submit P11D(b))]
7. We will submit national insurance number (NINO) verification requests as appropriate to verify or obtain a NINO for a new employee.
8. Note that we will only deal with the nominated person within the organisation. Any enquiries from individual employees concerning their wages or other payroll details will be referred back to that responsible person.
9. Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

Ad hoc and advisory work

10. Where you have instructed us to do so we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:

- advising on ad hoc transactions (for example, termination payments to employees) and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax and NIC liabilities;
- dealing with any compliance check or enquiry by HMRC into the payroll returns;
- preparing and submitting any amended returns or data for previous tax years and corresponding with HMRC as necessary;
- helping with setting up and administering workplace pension schemes, including referring you to appropriate specialists where necessary;
- [agreeing with you which employer-provided BiK will be processed through the payroll and for which employees, registering the PAYE scheme to payroll BiK, processing through the payroll cash equivalent notional amounts, notifying HMRC of in-year changes, advising you on the payment of associated class 1A NIC, preparing and submitting return P11D(b), and notifications to employees;]
- preparing and submitting returns P11D and P11D(b) for employee BiK and expenses, and advising on the payment of associated class 1A NIC (such work if undertaken is covered in a separate schedule of services);
- assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors;
- conducting PAYE, and benefits and expenses health checks; and
- helping you to allocate apprenticeship levy allowance across your different PAYE schemes/group companies/connected charities.

11. Where specialist advice is required on occasion, we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by the nominated person.

Changes in the law or public policy and practice

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 public policy and practice or your circumstances.

13. We will accept no liability for losses arising from changes in the law or public policy and practice that are first published after the date on which the advice is given.

Your responsibilities

14. You are legally responsible for:

- (a) ensuring that the data in your payroll submissions is correct and complete;
- (b) making any submissions by the due date;
- (c) paying tax and NIC on time.

Failure to do this may lead to penalties and/or interest.

15. Employers cannot delegate this legal responsibility to others.

16. You are responsible for maintaining your employees' information, including any changes to the

employees' bank account details.

17. To enable us to carry out our work you agree:

- (a) that all information required to be delivered online is submitted on the basis of full disclosure;
- (b) to provide full information necessary for dealing with your payroll affairs and workplace pension scheme contributions; we will rely on the information and documents being true, correct and complete, and will not audit the information or those documents;
- (c) to agree with us the name[s] of the person[s] authorised by you to notify us of changes in employees and in rates of pay. We will process the changes only if notified by that/those individual[s];
- (d) to advise us in writing of changes of payroll pay dates and workplace pension scheme contribution dates;
- (e) to notify us at least [3] working days [or such other period as agreed with us] prior to the payroll pay date of all transactions or events that may need to be reflected in the payroll for the period, including details of:
 - all new employees (including full names, address, date of birth, gender, national insurance number) and details of their remuneration packages
 - all leavers and any termination payments
 - all changes to remuneration packages
 - all pension scheme changes
 - all changes to benefits and expenses reportable under an existing payrolling benefits and expense online service registration
 - irregular and/or ad hoc payments and the dates to be paid;
- (f) to [approve/provide the data required to complete] [delete as appropriate]:
 - in-year FPS by at least [3] working days prior to payroll pay dates so that they can be submitted on or before payday, or as agreed with us
 - in-year EPS by at least [3] days prior to 19th of the month following the tax month
 - final FPS (or EPS when applicable) for the year at least [] days prior to 19 April following the end of the tax year
 - EYU within [3] days;
- (g) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.

18. You will keep us informed of material changes in circumstances that could affect the payroll. If you are unsure whether the change is material or not, please let us know so that we can assess its significance.

19. Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because HMRC is not obliged to send us copies of all communications issued to you.

20. If the information required to complete the payroll services set out above is received later than the dates specified above or agreed with us, we will still endeavour to process the payroll and returns to meet the agreed payroll date and filing deadlines but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances.

21. **Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions, which you should read and consider carefully.**

22. **You must also refer to the attached schedule confirming data processing details.**

PAYROLL SERVICES – AUTO-ENROLMENT

SCHEDULE OF SERVICES

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

PAYROLL SERVICES – AUTO-ENROLMENT

Recurring compliance work

1. As part of the preparation of your UK payroll, we will:
 - (a) calculate the deductions to be made from each worker's pay;
 - (b) calculate the contribution you as an employer are obliged to make to the scheme; and
 - (c) process through the payroll any refunds from the scheme.
2. We will include the pension payments on the following documents:
 - (a) the payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals;
 - (b) the payslips for each employee (unless payslips are not required);
 - (c) a report showing your total pension contributions (employees and employers) and due date for payment.

We can provide advice to you regarding your choice of a pension scheme but we are not authorised to provide specific advice to your employees. You are responsible for choosing a pension scheme that meets the automatic enrolment qualifying criteria and we recommend that you take appropriate independent advice.

We can assist you by:

- providing factual information about pension schemes;
- helping you to compare schemes;
- referring you to a specialist adviser; and
- referring you to guidance issued by The Pensions Regulator on pension scheme selection.

We will help you to establish which category each worker falls into, whether entitled worker, eligible jobholder or non-eligible jobholder.

We will prepare and send to you a notice to send to each non-eligible jobholder that sets out certain information about opting in to an automatic enrolment scheme and what this means for them. If the non-eligible jobholder chooses to opt in, you will enrol them onto the scheme on receipt of an opt-in notice. We will assist you in this process. We will send information to the pension scheme about those non-eligible jobholders who choose to opt in.

3. We will prepare and send to you a notice to send to each entitled worker, giving them information about joining a pension scheme and what it means for them. This includes new starters and those becoming eligible to be enrolled by age or earnings. They do not need to be automatically enrolled but have the right to opt in. You will arrange membership to a scheme for those entitled workers who choose to join and complete a joining notice. This can be a different scheme to the one used for auto-enrolment. We will assist you in this process.
4. We will prepare a notice for you to give to the eligible jobholder telling them that they have been

enrolled, setting out what that means for them and also detailing their right to opt out (and to opt back in again).] You must re-enrol eligible jobholders every three years. We recommend that you establish a process for this review.

We will, on receipt of the scheme information from you and the pension provider, assist you when you make your declaration of compliance to The Pensions Regulator.]

5. Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees, but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

Ad hoc and advisory work

6. Where you have instructed us to do so we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:
 - dealing with any enquiry from The Pensions Regulator; and
 - preparing any amended records that may be required and corresponding with The Pensions Regulator as necessary.
7. Where specialist advice is required on occasion, we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by the nominated person.

Changes in the law or public policy and practice

8. 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 public policy and practice or your circumstances.
9. We will accept no liability for losses arising from changes in the law or public policy and practice that are first published after the date on which the advice is given.

Your responsibilities

10. You are legally responsible for:
 - (a) ensuring that your payroll and pensions records are correct and complete; and
 - (b) making payment of pensions contributions on time.
11. You will keep and retain the records required by law. These include:
 - (a) records about jobholders and workers, e.g. name, date of birth, national insurance number, gross earnings, contributions, gender, address, status within the pension scheme, opt-in notice, opt-out notice and joining notice; and
 - (b) records about the pension scheme, e.g. employer pension scheme reference, scheme name and address, and other information in respect of specific pension schemes.

You must retain these records for six years except for requests to leave the pension scheme, which must be kept for four years.

12. You are responsible for choosing an eligible scheme and for regularly reviewing that it meets the automatic enrolment qualifying criteria, and we recommend that you take appropriate independent advice.
13. You are responsible for providing all relevant information to the trustees or managers of the pension

scheme within the statutory period.

14. You are responsible for the monitoring of workers' age and earnings, and agree to advise us on any change in categorisation or status of your workers.
15. You are responsible for monitoring opt-in and opt-out requests and where workers with the right to opt in or opt out exercise that right. If required and requested by you, we will assist you in providing appropriate information for you to provide to the jobholder.
16. You are responsible for providing the required statutory information to your workers. This includes writing to new starters and those becoming eligible to be enrolled by age or earnings within six weeks of them meeting the age or earnings criteria.
17. You will enrol all eligible jobholders into an eligible pension scheme on the appropriate date.
18. You are legally responsible for:
 - (a) choosing your re-enrolment date from within a six-month window, which starts three months before the third anniversary of your automatic enrolment staging date and ends three months after it; and
 - (b) assessing your job holders, including those enrolled into the scheme and those you will put back into the scheme.
19. You are required within five calendar months [from the start of your legal duties and thereafter] when re-enrolling eligible jobholders to make a declaration of compliance with The Pensions Regulator.
20. To enable us to carry out our work, you agree:
 - (a) to provide full information necessary for dealing with your workers' pensions; we will rely on this information and documents being true, correct and complete, and will not audit the information or documents;
 - (b) to agree with us the name(s) of the person(s) authorised by you to notify us of changes in employees and in rates of pay. We will process the changes only if notified by that (those) individual(s);
 - (c) to advise us in writing of changes of payroll pay dates;
 - (d) to notify us at least [] working days prior to the payroll date of all transactions or events that may need to be considered in relation to auto-enrolment obligations for the period, including details of:
 - all new workers and details of their remuneration packages
 - all leavers and details of termination arrangements for all workers
 - changes in categorisation or status of your workers
 - all opt-in and opt-out requests from your workers
 - all remuneration changes for all workers
 - all pension scheme changes.
21. You will keep us informed of material changes in circumstances that could affect the pension scheme, workers and deductions. If you are unsure whether the change is material or not, please let us know so that we can assess its significance or otherwise and to seek your authority to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
22. Where you wish us to deal with them you will forward to us all communications received from The Pension Regulator. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because The Pension Regulator is not obliged to send us copies of all communications issued to you.
23. If the information required to complete the services set out above is received less than [] days before the payroll date, we will endeavour to process the payroll to meet the agreed payroll date but we will

not be liable for any costs or other losses arising if the payroll is late in these circumstances. We may charge an additional fee of £[] for work carried out in a shorter time period.

24. **Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions, which you should read and consider carefully.**
25. **You must also refer to the attached schedule confirming data processing details.**

BENEFITS-IN-KIND RETURNS

SCHEDULE OF SERVICES

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

(Forms P11D and declaration P11D(b)) and class 1A national insurance contributions (NIC)

Recurring compliance work

1. We will [prepare/review] forms P11D as may be required for each employee including directors based on the accounts, information and explanations provided to us on your behalf.
2. We will [prepare/review] form P11D(b) [to include the class 1A NIC on benefits-in-kind (BiK) and expenses, both on forms P11D and included in payroll].
3. We will submit the forms P11D for any benefits/employees for whom benefits are provided but not payrolled with the form P11D(b) online after the form P11D(b) has been approved in writing by you.
4. We will prepare and send to you the P11D information for you to forward to your employees and directors by the statutory due date of 6 July following the end of the tax year.
5. We will calculate your class 1A NIC liability on the benefits and expenses [both returned in forms P11D and included in payroll] that you are obliged to pay HMRC by the due date and send payment instructions to you.
6. [Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.]

Ad hoc and advisory work

7. Where you have instructed us to do so, we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:
 - assisting you with calculating the values for tax and NIC of benefits-in-kind (BiK) provided to employees, including when provided by way of salary sacrifice and other optional remuneration arrangements;
 - dealing with compliance checks or enquiries opened into the BiK returns by HMRC;
 - preparing any amended returns that may be required and corresponding with HMRC as necessary;
 - advising on PAYE settlement agreements and/or approved expenses scale rates; and
 - conducting PAYE and benefits health checks.
8. Where specialist advice is required, we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by the nominated person.

Changes in the law or public policy and practice

9. 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 public policy and practice or your circumstances.

10. We will accept no liability for losses arising from changes in the law or public policy and practice that are first published after the date on which the advice is given.

Your responsibilities

11. You are legally responsible for:

- (a) ensuring that your declaration on form P11D(b) is true to the best of your knowledge and belief, and therefore that [the entries on the related forms P11D][[and] amounts of benefits in kind and expenses in the payroll] are correct and complete;
- (b) filing any returns by the due date after the end of the tax year; and
- (c) paying class 1A NIC on time.

Failure to do any of the above may lead to penalties and/or interest.

12. Legal responsibility for approval of the return cannot be delegated to others. The nominated individual agrees to check that the forms that we have prepared for you are complete before they approve them.

13. To enable us to carry out our work you agree:

- (a) that all returns are to be made on the basis of full disclosure;
- (b) to provide full information necessary for dealing with your BiK returns; we will rely on the information and documents being true, correct and complete, and will not audit the information or those documents;
- (c) to notify us within [] working days after the end of the tax year of all transactions or events that may need to be reflected in the forms P11D for the period, including details of all employees during the year and details of their remuneration packages; and
- (d) to authorise us to approach such third parties as may be appropriate that we consider necessary to deal with completing the BiK returns.

14. If the information required to complete the BiK returns set out above is received more than [] days after the end of the tax year, we will still endeavour to process the information onto the BiK returns to meet the submission date but we will not be liable for any costs or other losses arising if submission is late in these circumstances. We may charge an additional fee of [] in such circumstances.

15. Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because HMRC is not obliged to send us copies of all communications issued to you.

16. **Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions, which you should read and consider carefully.**