

# PAYROLL SERVICE LEVEL AGREEMENT

Bureau: Virtual Business Source Ltd  
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E-mail: payroll@virtualsource.co.uk

PO Box 501  
The Nexus Building  
Broadway, Letchworth Garden City  
Herts SG6 9BL

Client Name: ("the client")

Client address:

Contact Name

Tel number:

Fax No.

The purpose of this Payroll Service Level Agreement (PSLA), in conjunction with the Terms and Conditions, current copy attached, is to set out the basis upon which Virtual Business Source Ltd (VBS) provides payroll services to the client. This agreement commences on the date issued and supersedes any previous PSLA.

**Service (office hours are between 8.30am to 5.00pm Monday to Friday – excluding UK bank holidays)**

- (1) VBS will undertake the preparation of the client's payroll in a form that complies with the client's statutory obligations.
- (2) VBS will calculate net wages and salaries payable, after appropriate deductions, based upon information supplied to VBS by the client and in accordance with the statutory tax and National Insurance rates appropriate at the time.
- (3) VBS will arrange for the payment of wages and salaries to the client's employees using BACS, if required.
- (4) The client will advise VBS of payroll payment dates with the data for that pay run or preferably in advance.
- (5) Where agreed between VBS and the client, payments to other third parties (e.g. Collector Of Taxes, Pension providers) will be made using BACS.
- (6) VBS will produce the required end of year statutory returns (except for P11D's) on behalf of the client and file the employer's annual return (P14's and P35) online.
- (7) VBS shall not be responsible for any penalty or interest for failure to comply with any aspect of the client's responsibility.

**Contingency Arrangements**

- (8) Should VBS payroll operations be disrupted for any reason beyond VBS control, VBS have Disaster Recovery arrangements in place and will use all reasonable endeavours to ensure, as far as possible, a continuity of service.
- (9) VBS will advise the client should its payroll operations be disrupted to such an extent that there is likely to be an adverse effect to the service provided.

**Data Delivery**

- (10) The client will supply in an agreed format the information necessary to calculate the wages and salaries due to the client's employees to VBS at the above address, e.g. hours worked, changes to rates of pay, bank details, tax codes, details of starters and leavers. The client is to ensure the clarity and accuracy of the data.
- (11) The client will provide VBS with the information in clause 10 above for Weekly and 2-Weekly payrolls at least 2 working day's prior to the relevant BACS 'Input Day' (or if not BACS payment, 4 working days prior to the payroll payment date) and for 4-Weekly and Monthly payrolls, at least 3 working day's prior to the relevant BACS 'Input Day' (or if not BACS payments, 5 working days prior to the payroll payment date).
- (12) VBS shall not undertake to process the client's payroll when information required for such processing is supplied to us later than any timescales we shall have agreed with you.
- (13) VBS will arrange for payslips and payroll summary reports, to be delivered:
  - a) (Using Royal Mail first class post) to the client, at the above address, by the BACS 'Processing Date' (or if not BACS, 2 days before the payroll payment date) where the criteria of clause 10 and 11 above is met by the client; or
  - b) In electronic format to an email address, notified by the client, by the BACS Processing Date (of if not BACS, 2 days before the payroll payment date) where the criteria of clauses 10 and 11 above is met by the client.

**Data Verification**

- (14) The client will check the payroll on the day of receipt and ensure that the Processing Date, and the client's bank details are correct.

- (15) The client will verify that the information contained on payroll summary reports is in accordance with the information supplied to VBS to calculate the wages and salaries due to the client's employees.
- (16) The client will check the payroll summary reports to ensure that:
  - The number of transactions equate to the number of the client's employees.
  - The total value of payments is in line with the client's normal wages and salaries for the period involved;
  - No single payment is exceptional, after taking account of overtime and special payments or bonuses;
  - That the total value of payments does not exceed the limit negotiated with the client's BACS sponsor; *(BACS Users Only)*
  - No more than one payment is destined for the same account, except where more than one employee shares a joint account. *(BACS Users Only)*

(17) The client will inform VBS of any errors identified on the payroll summary reports no later than 12 noon on the 'Input Day'. *(BACS Users Only)*

**Cancellation of Payments** *(BACS Users Only)*

(18) The client is required to notify VBS by 1pm (at the latest) on 'Input Day', if the BACS file is not to be submitted for payment. If no notification received VBS will proceed and initiate the relevant BACS payment. VBS will accept no responsibility should any issue subsequently arise.

(19) The client will arrange the cancellation of individual payments by contacting their BACS sponsor.

**BACS Input Report** *(BACS Users Only)*

(20) This report provides details of the payments that have been sent electronically by BACS on behalf of the client. The client must collect their copy of the Input Report via the internet following email notification from BACS.

(21) If, for any reason, the client is unable to collect their BACS Input Report they must contact their BACS sponsor before 11am on Processing Day for verification of the BACS transmission.

(22) The client will check the BACS Input Report to:

- Ensure the User Number and User Name in the main heading block on page 1 of the report reflects the client's registration with BACS;
- Ensure that both the number and value of payments agree with the payroll summary report forwarded to the client by VBS;
- Ascertain details of any rejected or adjusted records.

(23) The client is responsible for dealing with any rejected or adjusted records identified in the BACS advices.

(24) The client must immediately advise their BACS Sponsor, and VBS, of any errors identified on the BACS Input Report.

**Procurement Fee**

(25) A Procurement fee will be payable by the client if the client employs, or otherwise engages, VBS staff directly or indirectly involved with you during the period of engagement or within 12 months of the cessation of the engagement.

(26) The procurement fee will be equivalent to three months salary.

**BUREAU**

Signed for and on behalf of the Bureau:

.....  
**Name:** .....  
**Position:** .....  
**Date:** .....

**CLIENT**

**We confirm acceptance of the Terms & Conditions and Payroll Service Level Agreement.**  
**Signed for and on behalf of the Client:**

.....  
**Name:** .....  
**Position:** .....  
**Date:** .....

**DEFINITIONS**

**BACS:**  
 The electronic funds transfer system operated by Voca Limited on behalf of BACS Payment Schemes Limited.

**BACS Sponsor:**  
 The bank or building society sponsoring the client to use BACS.

**BACS Processing Cycle:**  
 The three consecutive working days in the BACS Processing Cycle are:

- Day 1** – Input Day (the last day when the file may be received by BACS);
- Day 2** – Processing Day;
- Day 3** – Payment Day (the day when payments should reach their destination)