Key Information Document ‒ PAYE

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This document sets out key information about your relationship as a work-seeker with us, as an employment business, including details about pay, holiday entitlement and other benefits. [You can find more information at [insert link to employment business’s website]].[Note 1A]

The Employment Agency Standards (EAS) Inspectorate is the government authority responsible for the enforcement of certain agency worker rights. You can raise a concern with them directly on 020 4566 5333 or through the ACAS helpline on 0300 123 1100, Monday to Friday, 8am to 6pm.

## General Information

|  |  |  |
| --- | --- | --- |
| **Your name:** |  | See Note 1 |
| **Name of employment business:** |  | See Note 2 |
| **Your employer (if different from the employment business):** |  | See Note 3 |
| **Type of contract you will be engaged under:** |  | See Note 4 |
| **Who will be responsible for paying you (if different from your employer):** |  | See Note 5 |
| **How often you will be paid:** |  | See Note 6 |
| **Expected or minimum rate of pay:** |  | See Note 7 |
| **Deductions from your pay required by law:** |  | See Note 8 |
| **Any other deductions or costs from your pay (to include amounts or how they are calculated):** |  | See Note 9 |
| **Any fees for goods or services:** |  | See Note 10 |
| **Holiday entitlement and pay:** |  | See Note 11 |
| **Additional benefits:** |  | See Note 12 |

## Representative example of your pay

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| **Example rate pay:** |  | See Note 13 |
| **Deductions from your wage required by law:** |  | See Note 14 |
| **Any other deductions or costs from your wage:** |  | See Note 15 |
| **Any fees for goods or services:** |  | See Note 16 |
| **Example net take home pay:** |  | See Note 17 |

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General Information

SAMPLE

|  |  |
| --- | --- |
| **Your name:** | Agency Worker Name |
| **Name of employment business:** | Employment Business Name |
| **Your employer (if different from the employment business):** | N/A |
| **Type of contract you will be engaged under:** | Contract for Services |
| **Who will be responsible for paying you (if different from your employer):** | N/A |
| **How often you will be paid:** | Weekly in arrears |
| **Expected or minimum rate of pay:** | At least the prevailing or current National Living Wage or National Minimum Wage, as appropriate |
| **Deductions from your pay required by law:** | PAYE taxEmployee National Insurance ContributionsEmployee pension contributions - 5% of gross pay (if no opt out)Student Loan |
| **Any other deductions or costs from your pay (to include amounts or how they are calculated):** | None |
| **Any fees for goods or services:** | DBS Certificate one off payment - £40[[1]](#footnote-1)  |
| **Holiday entitlement and pay:** | Statutory holiday entitlement of 5.6 weeks, pro rated for part time work.Holiday pay is accrued and paid when time off is taken.ORHoliday pay is rolled up and paid together with basic rate of pay. The Agency Worker acknowledges that no further payment will be made when time off is taken. |
| **Additional benefits:** | Access to collective facilities provided by a client on day one of an assignment under the Agency Workers Regulations 2010 though these will vary from client to client  |

Representative example of your pay

SAMPLE

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| --- | --- |
| **Example rate pay:** | £107.08/day x 5 = £535.40plus £64.62 holiday pay Total = £600.02/week |
| **Deductions from your wage required by law[[2]](#footnote-2):** | National Insurance Contributions - £55.33PAYE Tax - £38.86Pension - £30.00Student Loan - £12.50 |
| **Any other deductions or costs from your wage:** | None |
| **Any fees for goods or services:** | DBS Certificate - £40 - one off payment |
| **Example net take home pay:** | £463.33 (£423.33 after DBS deduction) |

***NOTES***

***This document has been created to provide a worked up example of how the KID should be completed. The figures used are for illustrative purposes only and you will need to amend to reflect your own arrangements.***

***Blue highlighted text should be reviewed and amended/deleted as appropriate.***

***Green Text - use where holiday pay is rolled up. Note holiday pay must be set out separately from basic rate of pay within the example - delete yellow text***

SAMPLE

***Yellow Text - use where holiday pay is accrued - delete green text***

***Expected or minimum rate of pay: It is advised to state: ‘At least the prevailing or current National Living Wage or National Minimum Wage as appropriate’ rather than an actual amount as by stating a figure you will be required to reissue the KID if the amount paid was to change.***

**Holiday pay: *Current guidance on holiday pay for workers on contracts of employment***

***Further to the Supreme Court's decision in Harpur Trust v Brazel [2022] UKSC 21, workers on contracts of employment are entitled to receive the full 5.6 weeks holiday leave, despite working only part of the year. Holiday entitlement should be calculated in accordance with Sections 221-224 of the Employment Rights Act 1996. The accrual method of the 12.07% calculation, is not stipulated in the Working Time Regulations 1998 or EU law and should not be applied to workers employed on contracts of employment.***

**Current** **guidance on holiday pay for workers using contracts for services: U*se of the 12.07% accrual method for calculating the holiday entitlement of workers on a contract for services poses a risk. Members should therefore*** [***use the government holiday pay calculator***](https://www.gov.uk/calculate-your-holiday-entitlement) ***to calculate a workers’ entitlement to holiday leave .When calculating holiday pay an employer should use the current 52-week reference period for holiday pay in accordance with S224 Employment Rights Act 1996 (ERA). This involves looking back at the last 52 weeks (or less if they have not been engaged for 52 weeks), taking out any weeks where they have not earned any pay or they have received statutory payments such as SSP (adding in additional weeks up to a maximum of 104 to give you the full 52 weeks where applicable). You add this together and divide by the number of weeks you are using to get the average weekly pay.***

**Guidance on holiday pay for irregular hours workers and part year workers on either contracts for services or contracts of employment from workers using contracts for services from 1st January 2024. *On 1st January 2024, the amendments to WTR 1998 will be enacted. The amendments introduce legal right for employers to allow part year workers and Irregular Hours workers whose leave years start on or after 1st April 2024 to accrue holiday leave at the rate of 12.07% and to be paid rolled up holiday pay at the end of each pay period. Holiday entitlement will be accrued at the rate of 12.07% of the hours worked by a worker in each pay period and holiday pay will be paid at a rate of 12.07% of the remuneration received in each pay period.*** ***The 12.07% figure is based on the statutory minimum holiday entitlement (5.6 weeks). An irregular hour or part-year worker who is entitled to more than 5.6 weeks will need to have their accrual rate adjusted. We have created a table to assist members with thi calculation and this can be found*** [***here***](https://www.rec.uk.com/recruiters/legal/legal-resources/other-rec-guides-and-briefings/rec-holiday-accrual-percentage-rates-table)***. Payslips must indicate the amount of holiday pay that has been paid for the period to which the payslip relates.*** [***The government has also issued guidance***](https://www.gov.uk/government/publications/simplifying-holiday-entitlement-and-holiday-pay-calculations/holiday-pay-and-entitlement-reforms-from-1-january-2024) ***on the calculation of holiday pay for irregular hour workers and part year workers.***

SAMPLE

Notes ‒ to be deleted from this document before giving it to the temporary worker

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| --- |
| February 2020 |

Employment businesses must give a Key Information Document (KID) to temporary workers who register with them on or after 6 April 2020 (Regulation 13A of the Conduct of Employment Agencies and Employment Businesses Regulations 2003). They do not have to give a KID to candidates looking for permanent or fixed term contract work directly with a client. They must give the KID before agreeing terms of engagement with the temporary worker.

The purpose of the KID is to improve transparency, particularly in relation to pay and so the KID should not include all the terms of the contract between the temporary worker and the employment business – these will be set out in a separate document. The Department for Business, Energy and Industrial Strategy (BEIS) have produced [written guidance and three templates](https://www.gov.uk/government/publications/providing-a-key-information-document-for-agency-workers-guidance-for-employment-businesses) – one each for use when engaging the temporary worker on direct PAYE, through a personal service company or through an intermediary such as an umbrella.

The employment business does not have to give multiple KIDs to show the different payment methods, but it would be best practice. Importantly, the temporary worker must receive a KID relevant to how they will ultimately be engaged. The employment business does not have to issue a new KID for each assignment but must issue a new KID when the information changes, e.g. a new deduction.

REC has adapted the BEIS templates by adding the notes below. After you have completed this template please delete the notes column from the document before giving it to the worker. These notes pages do not form part of **the Key Information Document** which **must not be more than 2 sides of A4 paper**.

For more information see the [Key Information Document](https://www.rec.uk.com/legal-resources/legal-guide/conduct-regulations/regulation-13a-and-the-key-information-document) section of the REC Legal Guide.

For the ‘**General Information section**' of this document you do not need to insert figures and can instead provide a description of the amounts. For the ‘**Representative Example of your Pay section**’ real figures must be used.

### General Information

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| --- | --- |
| Note 1 | The worker’s name is not required under Regulation 13A. It is optional. You may wish to insert the worker’s name for the purposes of confirming who the document was issued to. |
| Note 2 | Insert the name of the employment business engaging the worker. |
| Note 3 | This is not a requirement under Regulation 13A however this may be relevant if another entity will be engaging and paying the worker, i.e. a separate payroll company. |
| Note 4 | Insert the type of contract, e.g. contract for services, contract of employment, apprenticeship contract or other type of contract.  |
| Note 5 | Insert details of the employment business, i.e. your company. |
| Note 6 | Insert intervals of payment, i.e. daily/weekly/monthly. |
| Note 7 | Insert ‘no less than national minimum wage’ or the minimum amount a worker in the specific sector and role may typically expect to earn.  |
| Note 8 | Insert deductions required by law; e.g. PAYE tax, employee NI contributions, employee pension contributions (i.e. auto enrolment) and student loan (if known). |
| Note 9 | Insert any contractual deductions such as private healthcare or enhanced pension scheme (though it is unusual for temporary workers to receive such benefits). |
| Note 10 | Insert details of any goods or services that the employment business charges for (these should not fall within the scope of ‘providing work finding services’ which employment businesses cannot charge for). Relevant goods or services might include DBS fees, CV writing fees, interview preparation fees and training fees. You can state where these are one-off deductions. |
| Note 11 | Insert the statutory minimum annual leave entitlement of 5.6 weeks/28 days for full time employees or for part time workers insert that it will be pro-rated accordingly.  |
| Note 12  | Insert any non-monetary benefits that will be provided. These could include access to collective facilities provided by a hirer on day one of an assignment under the Agency Workers Regulations 2010 though we recognise these will vary from client to client. |

Representative statement

These figures can be estimated and do not need to exactly reflect the specific rate of pay the temporary worker will eventually receive. However, they should show in a realistic way the deductions made to a proposed rate of pay and how those deductions will affect the worker’s pay. This should reflect a single prospective period based on the intervals shown under ‘General Information’.

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| Note 13 | Insert an example weekly rate of pay; e.g. £348.80 per week which is NLW x 40 hours. |
| Note 14 | Insert figures for statutory deductions which include, income tax, national insurance and employee pension contributions. This will include the relevant tax-free allowance and basic tax rate. Where other statutory deductions are known, such as a student loan, then these should be inserted here also.  |
| Note 15 | Insert figures for other non-statutory deductions from pay; e.g. private healthcare or enhanced pension employee contributions. |
| Note 16 | Insert figures for deductions; e.g. DBS checks, training etc. |
| Note 17 | Insert the figure for example net take home pay after all the deductions above have been made. |

1. Where an employment business provides additional services such as DBS , Under Regulation 13 of the Conduct Regulations, before providing or arranging for any additional services, the recruitment business must inform the candidate of.

•the services they charge a fee for and provide the details of the fee, including the amount or method of calculation of the fee,

•the identity of the person to whom the fee is or will be payable, a description of the services or goods to which the fee relates; and

•the circumstances, if any, in which refunds or rebates are payable to the candidate, the scale of such refunds or rebates, and if no refunds or rebates are payable, a statement confirming this.

Additionally, under Section 6(1)b of the Employment Agencies Act 1973 (EA 1973), it is unlawful for an employment business to receive a fee directly or indirectly for the provision of work finding services. [↑](#footnote-ref-1)
2. **PLEASE NOTE THESE ARE EXAMPLE FIGURES AND DO NOT REPRESENT THE ACTUAL DEDUCTIONS A WORKER RECEIVING PAY AT THIS RATE WOULD ATTRACT.** [↑](#footnote-ref-2)