

Payroll Bureau Service Document



May 2015

Fourth and the Customer have entered into the Subscription Agreement (for the supply of the Fourth Solution, Products and/or Services). This document constitutes an Addendum to that agreement (forming part of it) and sets out the additional terms that shall apply to the provision by Fourth of Payroll Bureau Services to the Customer.

Unless otherwise specified herein, words and expressions in this Addendum shall have the meanings ascribed to them in the Subscription Agreement.

1. In this Addendum unless the context otherwise requires, the following expressions have the following meanings:

"Payroll Bureau Service Definition" means the document (and separately set out at www.fourth.com/agreements/PayrollBureauServiceDefinition.pdf) titled "Payroll Bureau Service Definition" describing the Payroll Bureau Services to be supplied by Fourth to the Customer;

"BACS" means BACS - the organisation that physically processes the payments and maintains the payment network;

"BACS Sponsor" means the bank or building society sponsoring the Customer to use BACS;

"BACS Processing Cycle" means the three consecutive working days in the BACS processing cycle, which are:

Day 1 – Input Day or Input Date (the last day when the file may be received by BACS);

Day 2 – Processing Day; and

Day 3 – Debit/Credit Day (the day when the items should reach destination).

2. SERVICES

- 2.1. Fourth will undertake the preparation of the Customer's payroll in a manner that complies with the Customer's statutory obligations.
- 2.2. Fourth will calculate net wages and salaries payable, after appropriate deductions, based upon information supplied to Fourth by the Customer and in accordance with the statutory tax and national insurance rates appropriate at the time (as may be applicable).
- 2.3. Fourth can only submit BACS instructions from the Customer's bank account once Fourth has received a BACS user number from the Customer and this is linked.
- 2.4. Fourth will arrange for the payment of wages and salaries to the Customer's employees using BACS. The Customer is responsible for the payment of employees not being paid by BACS.
- 2.5. The Customer will advise Fourth of BACS "Processing dates" at least one month in advance of such dates.
- 2.6. The Customer will supply and ensure accuracy of all necessary information, materials or assistance as Fourth may reasonably request in connection with the provision of the Payroll Bureau Services.
- 2.7. Use of Fourth to provide the Payroll Bureau Service does not revoke or derogate in any way or effect the Customer's statutory obligations as an employer.

Payroll Bureau Service Document



May 2015

3. CONTINGENCY SERVICE

- 3.1. Should Fourth's Payroll Bureau operation be disrupted for any reason, Fourth will provide the Customer with as full a service as possible.
- 3.2. Fourth will advise the Customer should its payroll operations be disrupted to such an extent that there is likely to be a material adverse effect upon the Payroll Bureau Services.
- 3.3. Should the Customer experience problems in contacting Fourth, communications should be redirected to the Fourth contingency site at 90 Long Acre, Covent Garden, London, WC2E 9RA. Telephone: +44 (0) 207 534 3700; Facsimile +44 (0) 207 534 3701.

4. DATA DELIVERY

- 4.1. The Customer will provide Fourth with details of employee bank accounts (namely bank name, address, sorting code, account number and account name) and ensure that Fourth is advised of any changes to these details.
- 4.2. Fourth will arrange for the pay element preview and a payroll summary report, to be delivered to the Customer at an address specified by the Customer, or by fax or e-mail at least two Working Days prior to the BACS "Input Date".
- 4.3. Fourth will be relieved from liability for non-performance, or delay in performance, of the Payroll Bureau Services to the effect that this results from: a) a failure by the Customer (or delay) in providing the necessary information/data; and/or b) inaccurate information/data being provided.
- 4.4. At least one Working Day prior to the relevant BACS "Input Date", the Customer will approve the information necessary for Fourth to calculate the wages and salaries due to the Customer's employees, e.g. hours worked, changes to rates of pay, bank details, tax codes, etc.
- 4.5. Fourth will produce payslips in a format agreed with the Customer.
- 4.6. At least one Working Day prior to the relevant BACS "Input Date", the Customer will approve the information necessary for Fourth to calculate the wages and salaries due to the Customer's employees, e.g. hours worked, changes to rates of pay, bank details, tax codes, etc.

5. DATA VERIFICATION

- 5.1. The Customer will check the payroll summary report on the day of receipt and ensure that the processing date and the Customer bank details are correct.
- 5.2. The Customer will check the payroll summary report fully before approving it to ensure its completeness, correctness and accuracy including (but not limited to) the following:
 - a) that it is in accordance with the information supplied to Fourth to calculate the wages and salaries due to the Customer's employees;
 - b) the number of transactions equates to the number of the Customer's employees;

Payroll Bureau Service Document



May 2015

- c) the total value of payments is in line with the Customer's normal wages and salaries for the period involved;
- d) that the total value of payments does not exceed the limit negotiated with the Customer's BACS Sponsor;
- e) no single payment is exceptional, after taking account of overtime and special payments and bonuses; and
- f) no more than one payment is destined for the same account, except where more than one employee shares a joint account.

5.3. The Customer will inform Fourth in writing of its approval of, or of any errors identified in the payroll summary reports no later than 12 noon on the day of receipt.

5.4. The Customer acknowledges that it is entirely responsible for checking the information included in the payroll summary report and ensuring it makes the correct payments and deductions.

5.5. Fourth will not be liable for any errors in reports which require the Customer's approval or verification as set out in this Addendum including but not limited to clauses 5.1, 5.2, 5.3 or any inaccurate or outdated information provided by the Customer, unless reported by the Customer in accordance with clause 5.4 of this Addendum.

5.6. It is the responsibility of the Customer to ensure that new employees and leavers have been screened correctly prior to approval of the payroll summary report.

6. CANCELLATION OF PAYMENTS

6.1. The Customer will arrange the cancellation of individual payments by contacting their BACS Sponsor.

6.2. If it is necessary to withdraw the whole BACS file, the Customer will contact Fourth before 3pm on Input Day.

7. BACS REPORTS

7.1. This report provides details of the payments that have been sent electronically by BACS on behalf of the Customer. Fourth will ensure that the payments due to the Customer's employees match the payments on the Customer approved payroll summary reports.

7.2. Fourth will notify the Customer of any payments rejected by BACS.

8. PENALTY CHARGES

8.1. Fourth reserves the right to charge the Customer for any additional hours worked on behalf of the Customer outside that of the services provided within the chosen option on the "Payroll Bureau Service Definition" document.