

Travel and Subsistence Arrangement

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1. What is the Manpower Travel and Subsistence Arrangement?

The Manpower Travel and Subsistence Arrangement (TSA) has been negotiated with, and approved by, HM Revenue & Customs (HMRC) in order to provide mobile staff engaged under a Contract of Employment to receive travel and subsistence payments without paying Income Tax or National Insurance contributions (NI) on these payments.

Staff are classified as mobile if they are expected to work on assignments at a number of different client sites/postcodes and are not at one workplace for longer than a 24-month period.

If you participate in the Manpower TSA, you will be able to claim an approved tax/NI free payment to contribute towards your travel costs to and from a client's premises as well as food costs incurred whilst at work.

In taking part in the Manpower TSA, you agree to give up some of your gross taxable pay – this is sometimes referred to as “salary sacrifice” (see below). As your pay (subject to tax and NI) will be reduced you will pay less tax and NI, therefore your take home pay will increase.

2. What is salary sacrifice?

Salary sacrifice is an increasingly common arrangement, recognised by the government and HMRC, whereby you give up some taxable pay and typically receive benefits instead.

In the case of the Manpower TSA, you would be paid a tax/NI free payment as explained above. You will always be able to keep track of your pay and TSA payments. Your original pay and the amount you sacrifice will be clearly shown on your payslip. For the purpose of this salary sacrifice arrangement, these are referred to as “TSA adjustment” and “TSA allowance”. Your additional tax/NI free payment will be shown on your payslip. Please refer to the attached sample payslip.

3. Does this apply to me?

In order to benefit from TSA you must be eligible. That is;

- You work, or are available to work, at a number of different client sites (within different postcodes)
- You will not regularly be provided with transport or travelling expenses; and
- It must be reasonable to assume that you will not work at the client site for longer than 24-months.

If you are eligible for TSA payments, you will qualify to be paid TSA allowance in respect of a shift at a client site if;

- You work for more than 5 hours per day (including one hour deemed travel to/from the workplace)

4. What happens if I am expected to work at the same client site/postcode for over 24-months?

If you are expected to work at the same site for more than 24-months, you will not be eligible for TSA from the moment it is expected that you will exceed the 24-month limit, as you will not be classified as a mobile staff for this purpose from that time.



5. How will I benefit from TSA?

At the moment you pay for your own food costs, whilst at work and your travel costs to and from work and do not receive any allowances to cover this daily expenditure. However, once you join TSA, you will be entitled to receive a tax and NI free payment, which will help towards paying these costs. The subsistence costs include lunch, snacks and refreshments that you may have when you are at work. The travel costs are deemed to have been incurred in getting to/from your place of work.

- You do not claim expenses elsewhere; and
- You are not provided with transport and/or free meals.

You can qualify for either travel or subsistence.

If you do not meet the eligibility requirements, you cannot qualify for TSA payments, regardless of the length of your shift.

6. Do I have to submit the receipts for my travel and food costs in order to receive TSA?

No. As TSA allowance is paid automatically to you, you will not need to submit receipts providing you complete a weekly Manpower Work Record to state your hours worked. To ensure that you are only paid qualifying allowances, the Manpower Work Record will include two additional boxes, which you should complete only if the following questions are relevant to you:

- You have not travelled to your workplace
- You are provided with transport to the client's premises
- You are already claiming expenses from the client or elsewhere

Some of Manpower's clients use their own timesheets/spreadsheets/clocking in systems to record your hours of work. In these instances you will be asked to sign a Declaration for use of a Client Timesheet to confirm you will immediately notify Manpower if you do not wish to claim either travel or subsistence on any day that you work.

7. How do I estimate what my extra take-home pay will be?

Your TSA payment and deduction each week will vary according to your pay rates and hours worked to ensure there is no breach of the National Minimum Wage rules. The maximum allowance per day as agreed with HMRC is £6.60 per day for subsistence and £2.60 for travel. The TSA payment is agreed with HMRC based on average data for staff across the country.

- To calculate the total TSA Allowance for the week (TSA daily rate multiplied by the number of qualifying days per week). In the example shown below this will be £9.20 x 5 days, this is the pay that is free from tax and NI contributions. This amount may reduce to ensure you do not fall below the National Minimum Wage
- To calculate the total **TSA Adjustment**, refer to the attached Manpower Adjustment Reference Table
- This adjustment is calculated to offset the incurred cost of running the TSA
- The TSA adjustment will always be greater than or equal to the TSA Allowance, but this does not mean that you receive less take-home pay as you benefit from the reduced tax/NI payments. Under no circumstances will your pay be disadvantaged from a tax or NI perspective if you receive a TSA payment
- This additional amount is calculated as a percentage of your allowance
- The percentage used will depend on your Tax and NI position
- You can see the percentage that applies to you by using the letter code on your payslip and referring to the attached
- Manpower Adjustment Reference Table

As an example we will apply the calculations to a standard Tax and NI payer earning **£320.00** per week for their worked hours.

The **TSA Allowance** will be **£46.00** (£9.20 multiplied by days worked, in this case, 5)

The **Manpower Adjustment Reference Table** indicates that a standard Tax & NI payer falls into category 'L' with an adjustment multiplier of **10.0110%**.



Therefore their **TSA Adjustment** is **£46.00 x 10.0110%**, which equals **£50.61**. This amount is paid without deducting tax and NI.

The tax/NI-able pay is calculated as **Total Pay** minus the **TSA Adjustment**. In this example **£315.39** minus **£46.00** which equals **£269.39**.

As Tax & NI contribution is calculated on **£269.39** instead of **£315.39** less tax and **NI is paid**.

For further clarification please refer to the attached sample payslip.

8. Will joining the TSA ever reduce my pay?

No. Your tax and NI contribution savings will more than compensate for any decrease in your gross pay

9. Will joining the TSA affect any state benefits I may be entitled to?

Benefits that are related to your gross taxable pay such as “tax credits” may increase due to the decrease in your gross pay by inclusion to the TSA.

Your NI-able pay is reduced if you join the TSA; the benefits that are calculated according to your NI-able earnings (e.g. Parental Pay, Sick Pay and State Second Pension), may be affected by inclusion to the TSA, as your NI-able earnings will be reduced.

Therefore, it may result in you either receiving a lower amount of benefit or not qualifying for the benefit.

With regards to Parental Pay, we recommend that you consider opting out of TSA during pregnancy or adoption process.

For further information on how TSA may affect your benefits please refer to the following:

For Statutory Sick Pay, Maternity Pay, Adoption Pay or Paternity Pay advice at www.hmrc.gov.uk or seek Independent Financial Advice.

The basic State Pension is affected if earnings on which you pay NI fall below a certain level for each tax year (£4,524 for the current tax year). The State Second Pension could be affected, although the government is to review the workings of this benefit. More information can be obtained from The Pension Services by calling 0845 731 3233 or visiting www.thepensionservice.gov.uk

To avoid any issues with State Benefits we will be automatically opting out staff that are expected to earn less than £6,800 per year. You can, however choose to opt in by completing an Opt In/Opt Out form and return it to your Manpower Location.

Finally, certain ‘means’ tested state benefits related to your net earnings may be affected. This is because if your Net Pay increases, your entitlement to such benefits may reduce (e.g. council tax benefit).

10. I am nearing/at retirement age. Can I benefit from TSA?

If you are nearing or at retirement age this may have an effect on your pension. Consequently, you may wish to consider whether you want to participate in TSA by taking Independent Financial Advice. For further information please refer to the HMRC website at www.hmrc.gov.uk or seek financial advice from an independent source.

11. Attachment of Earnings Order, Student Loan or Child Support Agency (CSA) deductions, how will I be affected?

Attachments of Earnings Orders and/or CSA deductions are based on Net Pay. Inclusion to the TSA increases your Net Pay therefore your payment may increase.

Student Loan Repayments, are only activated once staff earn above a certain gross amount per week currently £288.00, (£15,000 per annum). Inclusion to the TSA will lower the gross earnings, consequently leading to no repayment/a lower amount being paid. There is the option to make additional payments to reduce the student loan by the staff, which would be dealt with separately between the staff and the Student Loans Company.



12. Will I need to report this to the HM Revenue & Customs?

No. If you are included in the TSA you are not required to advise HMRC of such payments unless specifically asked to do so.

13. Do I have to join?

No. The arrangement is optional and you can choose to opt out by completing an Opt In/Opt Out form and return it to your Manpower Location.

14. How do I leave or opt back into the arrangement?

You can leave the TSA on the anniversary date (see below), or following certain changes in your personal circumstances (see Lifestyle Event below). All you have to do is let us know in writing and your records will be updated accordingly.

If you choose to leave the TSA you will stop receiving your TSA payments and your take home pay will reduce to the level it would be without TSA.

NB: Staff will only be able to opt back in on the anniversary date or following certain changes in personal circumstances.

Lifestyle Events are not defined in legislation, but HMRC would define this as an unforeseen event, which would have a major effect on your lifestyle. (e.g. redundancy of a partner, pregnancy of staff or partner, marriage or divorce of staff).

If a lifestyle event occurs, Manpower may agree to review the existing contractual arrangement to take into account the change of circumstances and may allow the staff to opt in/out.

Anniversary Date new and existing staff will be re-assessed on an annual basis between 1 – 31 January each year to ensure their eligibility criteria still applies.

