



SERVICE LEVEL AGREEMENT

People First Managed Payroll Service





Document Control

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1. Introduction

1.1 Purpose

This Service Level Agreement defines the services provided by MHR ("The Company") to The Customer.

1.2 Objective of the Service

The objective is to deliver a timely, accurate and complete service to The Customer as per the details below. Any items not specifically detailed in this document are excluded and are subject to full scoping, costing, and separate agreement.

The Service Level Agreement defines the service levels with the objective of:

- Clearly defining roles and responsibilities.
- Ensuring services are clearly understood.
- Defining effective communication channels.
- Documenting issue resolution and escalation processes.
- Defining software and service availability

1.3 Instructions

- The services to be delivered by MHR, along with The Customer's obligations are denoted by the symbol "✓" within the tables of this document.

2. Overview of Provision

SERVICES IN SCOPE	Section	Provided
Managed Payroll Service	5	✓
Provision	5.1	✓
Payroll Enquiry Service	5.2	✓
System Administration	5.3	✓
Change Control	5.4	✓
BACS Service	5.5	✓
Processing Schedules	5.6	✓
Service Level Objectives	5.7	✓



3. Data Management - Managed Services

3.1 Data Ownership Policy

The purpose of MHR's Data Ownership Policy is to support documented processes for MHR's Payroll Team. This policy describes the roles and responsibilities of the individuals charged with the handling, processing, and maintenance of this information as part of the Managed Service being provided by MHR.

3.2 Policy

It is the policy of MHR that data and information will be made available to the payroll administrator to perform the necessary HR & Payroll processing required by their position to provide managed services in line with the Contract between MHR and the Customer. The HR & Payroll data for the pay period will be available as necessary and relevant as determined by appropriate authorisation of both the employee and the Data Owner. The Data Owner may be the owner of the entire data set or a segment of the data.

It is the responsibility of the Customer to ensure that the Company employees are not set up as contacts (PSCs/ ACs) on client owned Service User Numbers.

3.3 Scope

This policy covers data entered by The Customer into the Core system for the purposes of payroll processing by MHR's Payroll Team. It is not intended to cover information on individual customer desktops, laptops, or mobile devices nor information held within other Customer applications.

It is the responsibility of The Customer to supply all related data via the secure method supplied by MHR for every payroll processing period. It is also The Customer's responsibility to supply the data to MHR's Payroll Team in the prescribed data template provided, with no errors or omissions, for the purposes of payroll processing.

3.4 Revocation of data access

End of Affiliation: All Data Access will end when The Customer's affiliation with MHR ends for any reason.

It is the Customer's responsibility to de-register MHR as their BACS Bureau.

3.5 Data Standards

All data being supplied to MHR for processing, outside of the Core Product, must be provided to MHR in the data template provided or agreed data entry method. MHR will work with The Customer during the implementation process to explain the quality of the data required.

Where incorrect or incompatible data is supplied to MHR it will be returned to the appropriate Customer representative to correct and resubmit. If data is submitted outside the scheduled timescales, it will not be processed unless mutually agreed with MHR and authorised by The Customer. Additional service charges will be levied as detailed below and agreed payroll processing scheduled dates may not be met by MHR.

Failure to provide data in accordance with the format or schedules removes the obligation on MHR in relation to the SLA standards set out in this document.



The Customer must provide the information via SFTP. Information provided through different delivery methods will not be processed.

Data Standard	KPI	Measurement
Format	All data provided to MHR for processing in MHR's data template or agreed data entry method directly in to the system	100%
Quality	The quality of data provided to MHR for processing is measured through inaccuracies and exceptions.	100%
Method	Data provided to MHR for processing must be via SFTP.	100%

3.6 Data Management

This section outlines how personal data will be managed by both The Customer (data 'Controller') and MHR (data 'Processor'). All personal data will be processed in line with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

Activity	Company	Customer
Provide a secure method (SFTP) of sending payroll input data.	✓	
Provide payroll input data for the period in MHR's data template and via the secure method (SFTP) provided by MHR		✓

4. Managed Service

4.1 Provision

If the standard pay date falls on a non-banking day, the pay date will be amended in line with the agreed customer schedule.

Data must be sent by the scheduled cut-off date.

DATA MANAGEMENT	Company	Customer	N/A
PERSONAL INFORMATION			
Maintenance of personal information via Core Product or via MHR's data template		✓	
Processing of personal information provided in the MHR's data template	✓		
Submission of new starter data in MHR's data template		✓	



DATA MANAGEMENT	Company	Customer	N/A
Processing of new starter information provided in MHR's data template	✓		
STRUCTURE			
Collation of organisation structure data for all employees.		✓	
Maintenance of employee personal references and jobs within the organisation structure for all employees in the Core Product.		✓	
Submission of organisation structure data in agreed format		✓	
Processing of organisation structure data in MHR's data template	✓		
Attachment of new employees to the payroll, including payment method, NI category, P45/New Starter Declaration.	✓		
Submission of employee payroll attachment data in MHR's data template or agreed data entry method		✓	
Processing of employee payroll attachment information provided in MHR's data template or agreed data entry method	✓		
TRANSFERS			
Collation of payroll transfer details in agreed format		✓	
Completion of payroll transfer process.	✓		
WORKING PATTERN ADMINISTRATION			
Collation of working pattern information.		✓	
Creation of working patterns in the Core Product.		✓	
Manual attachment of working pattern changes in the Core Product.		✓	
Submission of working pattern data in MHR's data template		✓	
Processing of working pattern data information provided in MHR's data template	✓		
PAYMENTS			
Input of permanent or temporary data via Core Product.		✓	
Submission of permanent or temporary data in MHR's data template or agreed data entry method.		✓	
Processing of permanent or temporary data provided in MHR's data template or agreed data entry method	✓		



DATA MANAGEMENT	Company	Customer	N/A
ABSENCE			
Collect all absence data.		✓	
Input all absence data via Core Product.		✓	
Submission of absence data in prescribed data template or agreed data entry method		✓	
Processing of absence data provided in prescribed data template or agreed data entry method	✓		
Identification of employees requiring an Alabaster calculation.	✓		
Completion of Alabaster calculations.	✓		
Completion and distribution of Statutory Absence Exclusion forms as required.	✓		
PENSION DEDUCTIONS			
Input all pension data via Core Product.		✓	
Submission of pension data in prescribed data template or agreed data entry method		✓	
Processing of pension data provided in prescribed data template or agreed data entry method	✓		
Run pension assessment process.	✓		
Action pension deferments in line with agreed parameters.	✓		
Run the auto enrolment process.	✓		
Ensure payroll calculation process has successfully completed to calculate pension contributions.	✓		
Provide a formal opt out facility for employees.		✓	
Enter opt out information into the Core Product.	✓		
LEAVERS			
Input all leaver data via Core Product or via the standard data template		✓	
Processing of all leaver data via the core product	✓		
Submission of leaver holiday pay details in agreed data entry method		✓	



DATA MANAGEMENT	Company	Customer	N/A
Processing of leaver holiday pay data provided in prescribed data template or agreed data entry method	✓		
Notification of negative net pay for leavers.		✓	
Instruction of Negative Net Pay change		✓	
Amendment of negative net pay for leavers in line with agreed parameters.	✓		
Notify courts of leavers.	✓		
REDUNDANCY			
Make statutory redundancy calculations.	✓		
Input redundancy payments onto Core Product.	✓		
NON-STATUTORY DEDUCTIONS			
Submission of non-statutory deduction data in prescribed data template or agreed data entry method		✓	
Processing of non-statutory deduction data provided in prescribed data template or agreed data entry method	✓		
STATUTORY DEDUCTIONS			
Process all statutory deductions via Core Product.	✓		
Administer statutory deductions in accordance with the legislation and regulations.	✓		
COURT ORDERS (INCLUDING CHILD MAINTENANCE ORDERS)			
Submission of court order data or agreed data entry method		✓	
Input all data relating to court orders.	✓		
Process all court order data via Core Product.	✓		
Processing of court order data provided	✓		
Deduct administration fees at the prevailing rate, if applicable.	✓		
STUDENT & POSTGRADUATE LOANS			
Input all data relating to student & postgraduate loans.	✓		
Process all student & postgraduate loans data	✓		



DATA MANAGEMENT	Company	Customer	N/A
Legislative downloads from Government Gateway	✓		
TAX CODES			
Collect all data relating to tax codes.	✓	✓	
Processing of tax code data provided.	✓		
Legislative downloads from Government Gateway via Core Product.	✓		
BULK PAYROLL CHANGES (INCLUDING SALARY, PAYSACLE, PAYMENT TABLE & PENSION)			
Process all salary, PayScale values via Core Product.	✓		
Provide details of bulk payroll change requirement in a timely manner.		✓	
Process bulk payroll changes in the Core Product.	✓		
Any ad-hoc request for data cleansing or uploads will be chargeable through consultancy.	✓		

PERIODIC PAYROLL PROCESSING	Company	Customer	N/A
FIRST GROSS TO NET CHECKS			
Review Payroll process messages from 'To Do' list and resolve	✓		
Review and resolve HR process messages from 'To Do' list.		✓	
Review Core Product standard payroll dashboard and insights.		✓	
Check and review the tolerances via the net pay report	✓		
Check and review the payroll data headcount via the dashboard		✓	
Check and review the costing via the standard reporting tools	✓		
Check and review pension contributions	✓		
Advise customer of proposed amendments to correct issues identified during the first gross to net checks	✓		
Provide authorisation of proposed amendments or alternative instructions via the agreed data template		✓	



PERIODIC PAYROLL PROCESSING	Company	Customer	N/A
Resolve Payroll process messages from 'to do' list.	✓		
Review Payroll process messages from 'To Do' list.	✓		
Stop the Payroll.	✓		
Review Core Product standard payroll dashboard and insights.		✓	
Check and review the tolerances via the more payroll details report	✓		
Check and review the costing via the more payroll details report	✓	✓	
Check and review pension contributions	✓		
Ensure payslips have generated	✓		
Ensure P45s have generated	✓		
Follow the BACS process as defined in Section in 4.5	✓		

RTI PROCESSING	Company	Customer	N/A
PERIODIC ADMINISTRATION OF RTI SERVICES			
Create the periodic FPS Submissions	✓		
Review FPS process messages from 'To Do' list.	✓		
Provide authorisation of proposed amendments or alternative instructions.		✓	
Resolve FPS process messages from 'To Do' list.	✓		
Send the FPS Submission electronically as per the agreed schedule	✓		
Create the periodic EPS Submissions	✓		
Review EPS process messages from 'To Do' list.	✓		
Provide authorisation of proposed amendments or alternative instructions.		✓	
Resolve EPS process messages from 'To Do' list.	✓		
Send the EPS Submission electronically as per the agreed schedule	✓		



PAYROLL CLOSE DOWN	Company	Customer	N/A
Review next period pay dates and confirm in accordance with the payroll schedule.	✓		
Close current pay period	✓		

AD-HOC TASKS	Company	Customer	N/A
Provide information relating to any required earlier year updates(s).		✓	
Enter adjustments against employee(s) for earlier year updates as per the customer's instruction.	✓		
Creation of earlier year update(s)	✓		
Submission of earlier year update(s).	✓		
ANNUAL TASKS			
Generate P60s to employees as per the legislative deadline	✓		

PAYROLL CHECKING AND APPROVAL	Company	Customer	N/A
CONTROL CHECKS			
Check data input exceptions to highlight any issues.	✓		
Advise Customer of proposed amendments to correct issues identified in the data input exceptions.	✓		
Provide authorisation of proposed amendments or alternative instructions for data input exceptions.		✓	
Using the payroll dashboard check that the payroll balances.	✓		
Check the reasonableness of the highest and lowest gross and net pay values.	✓		
Check reasonableness of total gross pay, tax, NI, and superannuation by reference to previous values.	✓		
Provide list of authorised contacts to approve the payroll.		✓	
Ensure that relevant contacts are available to authorise the payroll as per the agreed schedule. Signature of the BACS authorisation form for net pay is considered by MHR to be acceptance by The Customer of the payroll.		✓	



PAYROLL CHECKING AND APPROVAL	Company	Customer	N/A
Check the payroll output and provide authorisation of payment transmission and legislative submissions as per the agreed schedule.		✓	
Receive authorisation as per agreed schedule.	✓		
Confirm validity of authorised contact.	✓		
Prepare, check, and distribute listings of third-party payments as per agreed schedule.		✓	
Reconcile payments made via BACS to source bank account.		✓	

4.2 Payroll Enquiry Service

PAYROLL ENQUIRY SERVICE	Company	Customer	N/A
Respond to payroll queries from The Customer's authorised representatives. All relevant information must be provided when making an enquiry, including the employee's name, payroll number, and either date of birth or NI Number.	✓		
Provide a telephone helpdesk between the hours of 09:00 and 17:00, Monday to Friday, excluding UK Bank Holidays, which all employees are permitted to call to discuss pay queries.	✓		
Respond to pay queries from The Customer's employees as required. All relevant information must be provided when making an enquiry, including company name, employee name, payroll number, and either date of birth or NI Number.	✓		
Respond to enquiries both written and verbal from HMRC, Courts and Child Maintenance Service.	✓		
Respond to requests for copy payslips, P60s and statement of earnings letters. Please note that these requests may incur an additional cost.	✓		

4.3 System Administration

SYSTEM ADMINISTRATION	Company	Customer	N/A
Define User and Security Profiles for the Customer		✓	
Create new User Accounts for the Customer		✓	
Create new User Accounts for MHR	✓	✓	
Deactivate Users for MHR	✓		



SYSTEM ADMINISTRATION	Company	Customer	N/A
Deactivate Users for The Customer		✓	
Re-set passwords for MHR	✓		
Re-set passwords for the Customer		✓	
Process Annual Increments & Salary Increases	✓		
Identify any national minimum wages discrepancies		✓	
Process National Minimum Wage & National Living Wage updates	✓		
Process Annual Element Uplifts	✓		
Provide Subject Access Requests related to Payroll information Received within 5 working days from The Customer Processed within 10 working days		✓	

4.4 Change Control

A formal process used to ensure that changes to a product or system are introduced in a controlled and coordinated manner. Changes will be reviewed, scoped, and implemented into the live environment.

SYSTEM CONFIGURATION	Company	Customer	N/A
Supply definitions of required system configuration changes, this will include but not limited to: <ul style="list-style-type: none">• Payslip items<ul style="list-style-type: none">○ Payments○ Deductions○ Notional items• Calculations• Schemes and Benefits<ul style="list-style-type: none">○ Pensions○ Absence• Costing Rules• Grades and Scale Points		✓	
Investigate and clarify requirements where necessary, and then provide an estimate for the cost, timing, and impact (if any) of	✓		



SYSTEM CONFIGURATION	Company	Customer	N/A
the change			
Specify changes to application configuration.	✓		
Provide necessary documentation detailing the Cost and timings along with a completed Change Control Request Form	✓		
Approve amendments required prior to work commencing		✓	
Agree implementation plan for any changes	✓	✓	
Incorporate agreed changes to System set-up to test in accordance with the specification	✓		
Incorporate agreed changes to employee records to test in accordance with the specification	✓		
Sign off amendments as complete		✓	

4.5 BACS Services

Payments to be made via BACS are detailed in Payroll Service Requirement form during service implementation. These payments will be made on the dates shown. If this is a non-working day, then the pay date will be amended in line with the agreed Customer schedule. These dates may also be varied by mutual consent of both The Customer and MHR and by dates nominated by BACS as non-processing days.

BACS PROCESS	Company	Customer	N/A
Generate the BACS file process for payments as defined in the Payroll Service Requirement form.	✓		
Supply and maintain a list of authorised signatories		✓	
Complete a separate BACS authorisation form for each transmission of employee payments entering the totals and BACS dates.	✓		
Send the completed BACS form to The Customer.	✓		
Confirm accuracy of figures and dates on the BACS authorisation form	✓	✓	
Ensure that relevant contacts are available to authorise the BACS transmission in accordance with the Schedule.		✓	
Sign the BACS authorisation transmission form and return to MHR.		✓	
Transmit the BACS file.	✓		



BACS PROCESS	Company	Customer	N/A
Maintain appropriate limits with BACS to ensure control over payments being made.		✓	
Process any non-BACS payments for employees or third parties		✓	
Ensure sufficient funds are available in the source bank account to fund the BACS transmission. The funding of the BACS payments will be through The Customer's nominated bank account. MHR will not, under any circumstances, be liable for funding the payment or any other costs incurred as a result of the subsequent late availability of funds		✓	
Ensure the Bank holding the source account has given the appropriate permissions for MHR to transmit BACS files on The Customer's behalf.		✓	
Inform Company of any changes to the source bank account or BACS user number, within a minimum 30-day lead time.		✓	
Recall of full BACS transmission(s) file.	✓		
Recall individual line within BACS transmission file.		✓	
Log into BACS Payment Services website and download any associated reports.		✓	
Action any line items identified on the Payment Service reports.		✓	
For the timely collection and verification of the following BACS reports: <ul style="list-style-type: none"> • BACS Input Report • Automated return of unapplied credits service report. • Advice of wrong account for automated credits service report. 		✓	

BACS TIMETABLE	
Day 1	BACS Submission Day
Day 3	BACS Processing Day
Day 4	Payments reach accounts

Each of the days indicated must be nominated by BACS as a day on which processing may occur. These are normally Monday to Friday taking into account English Bank Holidays. MHR schedules BACS transmissions on the day before the submission day. This allows both The Customer and MHR contingency time in the event of difficulties.



MHR will not accept responsibility regardless of circumstances for late payments where The Customer stipulates those transmissions must on a fixed day/date that happen to be a transmission day.

In an exceptional circumstance the company retains the right to submit a payment file to the BACS clearing, in the event that the Customer fails to authorise the submission of that payment file, despite repeated attempts to contact the Customer.

4.6 Processing Schedules

A processing schedule will be agreed and created in the Service Contract. MHR and The Customer will agree on a schedule for the payroll cycle. This will include and outline data inputting, checking, and processing timings of the payroll.

Below is an example schedule, the submission of the BACS file will be on a 4-day BACS submission.

Activity	Pay date Minus	Timing
Submission of payroll data to MHR in the standard format via SFTP	P - 7	9:00
Start data processing	P - 7	9:30
Check payroll data	P - 6	14:00
Process and check amendments	P - 6	09:00
Stop calculation, check, and balance payroll	P - 4	14:00
Make payroll output available to The Customer for checking and produce BACS file	P - 4	09:30
Sign off BACS and payroll	P - 3	14:00
Transmit authorised BACS	P - 3	15:00
Generate Payslips and P45's	P - 1	09:30

The following table lists the annual activities and their statutory deadlines (as applicable).

Activity	Statutory deadline
Provide P60 to employees by	31/5

4.7 Service Level Objectives

Activity	Achievement Target	Comments
Produce payroll on schedule	100%	
Achieve BACS deadlines to schedule	100%	
Issue payroll output to schedule	99%	
Accuracy of payroll processing content	98%	



Activity	Achievement Target	Comments
Payroll queries (Current Tax Year)	80%	Within ONE working day from receipt
	95%	Within TWO working days from receipt
	100%	Within FIVE working days from receipt
Payroll queries (Previous Tax Years)	80%	Within TEN working days from receipt
	100%	Within FIFTEEN working days from receipt
Distribution of P60	100%	By scheduled date (in accordance with statutory requirements)
Calculation of net pay to enable manual payments	Up to 5	Within ONE working day from receipt
	6 to 14	Within TWO working days from receipt
	15 plus	Delivery date to be agreed
Fair Usage Activity	Amount per month	Comments
Calculation of over/underpayments including calculations for leavers.	1-10	Within the last tax year
Make statutory redundancy payment calculations	1-20	
Input redundancy payments	1-20	

4.7.1 Monthly Customer Contact Call

Issues identified by the Payroll Team during the pay period will be logged, investigated, and corrected to ensure the payroll is delivered accurately and on time.

The Payroll Team will issue payroll accuracy reports, including an overall score card. The report details any issues logged during the pay period and the phase at which they occurred, before BACS, after BACS or Dispatch. The report will be placed in the SFTP for retrieval and review.



As an optional additional service at the preference of The Customer, a customer contact call will be scheduled for a mutually agreed time so that the accuracy report can be discussed along with the outcomes of the pay period and any other relevant points.

4.7.2 Managed Service Support Hours

The Payroll Team will deal with pay enquiries, operational and schedule enquiries. The Payroll Team will be contactable between the following hours excluding weekends and English bank and public holidays.

- **09:00 to 17:00**

5. Exit Management

Exit Management Responsibilities	Company	Customer
Prepare a transition schedule detailing timescales, requirements, and milestones to achieve the transfer of Customer data.		✓
Agree transition schedule.	✓	✓
Provide specification of requirements for the data to be transferred.		✓
Agree specification of requirements.	✓	
Provide Customer data in line with the transition plan and specification of requirements. The output of the data will be CSV files. (Depending on the complexity of the requirement this may be a chargeable activity).	✓	
For requests for other data formats the Company will make a charge for the provision of this data. The charge will be based on the number of day's effort required and the Company prevailing rates at that point in time. At all times up to the termination of the relationship the customer will be able to perform their own data extracts to provision and enable the move to a different provider.		✓

6. Escalation Contacts

The following table lists the key contacts, telephone numbers and email addresses for any service escalations.

Name/ title /email address	Telephone	Responsibilities
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Head of Operations	0115 945 6000	Escalation point for Managed Service issues
Director of Managed Services	0115 945 6000	Escalation point for significant HR and Payroll service issues.



7. Glossary of Terms

Expression	Meaning
BACS	Bankers Automated Clearing Service – usual method of payment
Change Control	A formal process used to ensure that changes to a product or system are introduced in a controlled and coordinated manner
Company	MHR International UK Limited as the licensor of the given software products and services. The term Company may be read as “Supplier”, “Licensor”, “Seller”, or any other term defined in an agreement to denote MHR International UK Limited as the software provider
Customer	The organisation identified on an Order Document or any other contractual document for the provision of software and services between the parties. The term Customer may be read as “Buyer”, “Authority”, “Council”, “Licensee”, or any other term defined in an agreement to denote the organisation as the recipient of any software or services.
HMRC	HM Revenue and Customs
Data	Data is all data held in the Product
P60	Employees summary of total pay and deductions for the tax year
Processing Schedule	The operational schedule detailing critical times and dates for the delivery of the service
RTI	Real Time Information – Communications sent to the HMRC on a periodic basis. This replaces the previous requirements for a P14 & P35.