FUTURE SERVICE DELIVERY CONTRACT

SCHEDULE 2.1

PART 1 – PAY SERVICES

ANNEX A - PAYROLL, CONTROL AND ACCOUNTING

Please note:

- The Column headed KPI/SPI identifies only those SRs that are measured as KPIs or Reportable SPIs (RSPIs). All other SRs are SPIs
- Where the Target Performance Level cell against individual SPIs is empty, these should be read as requiring 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
A1a	Payroll & Expenses Calculation, Payment & Accounting	1a.1 Calculate, authorise and issue payment Instructions (being the SP's name, service number, bank details, and the amount to be paid) for all Service Personnel, in accordance with JSP 754, with particular reference to Minimum Drawing Rate requirements (JSP 754 Ch 7 Sect 4) and ensuring the nett Pay Scheme within Pay As You Earn (PAYE) is correctly applied prior to calculating Tax and National Insurance (NI). 1a.2 For salary-based pay, make payments to the correct Service Personnel, in the correct currency, in up to 4 nominated international bank accounts for each Service Personnel, on the last Working Day of the month for which pay is due. 1a.3 For attendance-based pay, make payments to the correct Service Personnel, in the correct currency, in up to 4 nominated international bank accounts for each Service Personnel, on the first Working Day after the end of the month for which pay is due. 1a.4 Calculate all outstanding financial items (debits, credits, and any other items contained in the Control Accounts) and include such items within the Service Personnel's final payment on termination. 1a.5 Any calculation, authorisation or payment inaccuracyto be rectified within 5 Working Days of discovery or notification to the Contractor, unless otherwise agreed with the Authority.	1a.1 Payments made with at least 99.99% accuracy, measured monthly and calculated as "(payment instructions made correctly / total payment instructions made) * 100". 1a.2 Payments made with at least 99.99% accuracy, measured monthly and calculated as "(salary-based payments made to the correct Service Personnel, in the correct currency, in up to 4 nominated international bank accounts for each Service Personnel, on the last Working Day of the month for which pay is due / total salary-based payments made) * 100". 1a.3 Payments made with at least 99.9% accuracy, measured monthly and calculated as "(attendance-based payments made to the correct individual, in the correct currency, in up to 4 nominated international bank accounts for each Service Personnel on the first Working Day after the end of the month for which pay is due / total attendance-based payments made) * 100". 1a.4 Calculate and include all outstanding financial items within the Service Personnel's final payment on termination with 100% accuracy, measured monthly and calculated as "(outstanding financial items included within the Service Personnel's final payment on termination / total outstanding financial items for that Service Personnel) * 100". 1a.5 Calculation, authorisation or	205,000 per month	KPI	• This is a MilPers key target which they use for assessing accuracy and timeliness of payroll delivery and includes pay & allowances, charges and deductions (including overpayments). The requirement covers all Armed Forces and Volunteer Reserve personnel (including both elements of the Gibraltar Regt) and uniformed Cadet Force Adult Volunteer (CFAV) Instructors. • The Protected Population - Personal details for Special Forces (SF) personnel, SF support elements and personnel based in or residing in Northern Ireland are given restricted access, with only those needing access being granted it. This is achieved via 'Specialist Actors' being placed on SP log-in accounts. • The overall payroll process is currently broken down into smaller "payrolls" for more efficient processing and issue resolution by the Enquiry Service. • When a Volunteer Reservist is mobilised they are to be moved from the Volunteer Reserve payroll to the corresponding Regular payroll. . • Salary is broken down into 12 equal payments = 1 payment per month. • The process for Specially Determined Rates of Pay (SDRP) is reliant on the individual Unit HR Admin notifying the requirement to pay. Work is on-going with regard to an automated system to apply annual pay increases and provide updates to SDRP paid personnel. • Attendance based payroll is 1st Working Day of the following month to de-risk accuracy anomalies by allowing a further opportunity to apply payments processed later in the preceding month. • Timeliness verified by the Contractor payroll process manager. Payroll reports show the number of timeliness and accuracy errors on each payroll run. • Where salary or Attendance Based Payment is made via BACS ensure that each SP entry contains a "Hash Code" that is coherent with the details on the Real Time Information (RTI) File and conforms to the HMRC RTI requirement. Where more than one payment is made to/for an SP the Hash Tag should be attached to primary (highest value) payment.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.3 - 2.12.6, 2.12.8

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			payment inaccuracies rectified with 100% accuracy, measured monthly and calculated as "(number of calculation, authorisation or payment inaccuracies rectified within 5 Working Days of discovery or notification (unless otherwise agreed with the Authority) / total number of calculation, authorisation or payment inaccuracies discovered or notified to the Contractor) * 100"			• Rejected payments & BACS bounced back salary & allowance payments where the data held on file has not been updated by the Military Unit or SP and is therefore incorrect will be subject to additional work effort to rectify the anomaly and will be counted as re-work. Contractor would have to re-work at their own cost. • Include the processing of all Forms JPAC L003 for Retro Basic Pay following recruitment, internal Branch Transfer (for example changing from one military specialism to another), or ante-dating of seniority on Commissioning. • There are different nett Pay offsets for Tax and NI. It is an Authority (MilPers MilOps PPG&A Mgr) responsibility to inform the Contractor which items are to be included. Currently, Taxable Nett Pay items are limited to Uniform Tax Relief (UTR), Laundry Tax Relief (LTR) - applies only to Regular Ratings/Other Ranks, all forms of Charitable Giving/Give-As-You-Earn/Service Day Pay Giving, Widows Pension Scheme (WPS) and Additional Voluntary Contributions (AVC), this could change subject to changes in legislation. For NI the off-set items are WPS and AVCs. Every payroll record must be checked every month to establish whether any Nett Pay deduction against either Gross Taxable Emoluments and Gross NICable Emoluments is required. • UTR and LTR are both designated as Fixed Rate Entitlement Allowances (FREA) by HMRC. The rates applicable are subject to change as determined periodically by HMRC.	
A1b	Payroll & Expenses Calculation, Payment & Accounting	1b.1 Any payment not made to the correct individual on the day for which pay is due (last Working Day of the month for salary based pay or the first Working Day after the end of the month for which pay is due for attendance based pay) or in the correct currency to be rectified within 5 Working Days or notification of failure to pay whichever is the later. 1b.2 Any erroneous payment, outside the 98% accuracy criteria , made to the correct individual to be rectified within 5 Working Days of the last Working Day of the month or notification of failure to pay whichever is the later where Contractor is in receipt or returned payments to enable this action. 1b.3 Any erroneous payment, albeit within the 98% accuracy criteria, made to the correct individual to be rectified with the subsequent month's pay. 1b.4 All payments to be in accordance with JSP 754, with particular reference to Minimum Drawing Rate requirements (JSP	1.b1 100% accuracy within 5 Working Days 1b.2 100% accuracy 5 Working Days 1b.3 100% accuracy within subsequent month's pay 1b.4 in accordance with JSP 754, with particular reference to Minimum Drawing Rate requirements (JSP 754 Ch 7 Sect 4)		RSPI		Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.7

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		754 Ch 7 Sect 4)					
A2	Payroll & Expenses Calculation, Payment & Accounting	2.1 Manage payroll activities for eligible SPs taking 'Statutory Absences', including but not limited to those under the terms of the 'Armed Forces Occupational Maternity Scheme' (AFOMS), 'Statutory Maternity Pay' (SMP), 'Statutory Paternity Pay' (SPP), 'Statutory Adoption Pay' (SAP) and 'Shared Parental Pay and Leave' (ShPP and SPL) in accordance with JSP 760 Chapters 20, 21 and 22. 2.2 Maternity record to be created on receipt of notification from the Service Personnel's Unit HR Admin after the 20th week before the Expected Week of Childbirth (EWC). 2.3 Entitlement to commence on the first day of projected maternity absence date, provided by the Authority. 2.4 Payment instructions must be established for the correct individual within 10 Working Days of receipt of a correctly completed application, to enable payment on the last Working Day of the month in which entitlement commences 2.5 Any payment not made to the correct individual to be rectified within 5 Working Days of identification of failure to pay.	2.1 The individual end of month nett pay amounts to be at least 98% accurate. 2.2 Any erroneous payment, outside the 98% accuracy criteria, made to the correct individual to be rectified within 5 Working Days of the last Working Day of the month or notification of failure to pay whichever is the later where Contractor is in receipt of all relevant pay data or returned payments to enable this action. 2.3 Any erroneous payment, albeit within the 98% accuracy criteria, made to the correct individual to be rectified with the subsequent month's pay.	675 per month	RSPI	• AFOMS will be available in the data room. • Normal Paternity pay is handled as a period of authorised paid absence. • Requirement covers all elements of AFOMS and Statutory Maternity/Paternity/Adoption Pay and occupational maternity leave as defined by JSP760 and JSP 754. • Regular Servicewomen (a female member of the Regular Service) who have completed a year's continuous service by the qualifying week and who have stated an intention to serve for a period of at least twelve months following their pregnancy (Return Of Service), qualify for the enhanced pay element of AFOMS. They are entitled to 26 weeks' occupational maternity leave plus 26 weeks' AML. The 26 weeks' occupational maternity leave will be at full pay. The first 13 weeks of AML will be paid at the standard rate of statutory maternity pay, the remaining 13 weeks will be unpaid. • A female Reservist who has been a member of one of the Reserve Forces for 26 continuous weeks continuing into and including at least one day of the Qualifying Week (QW) (i.e. the 15th week before the Expected Week of Childbirth (EWC)). She must have had average weekly earnings from MOD in the eight weeks up to and including the last pay day immediately before the end of the QW, of not less than the lower earnings limit for the payment of National Insurance contributions (currently £90 per week). Contributions do not actually have to have been paid. A week in this context means a period of seven days beginning with Sunday and ending on Saturday. • The additional requirements for Additional Paternity Leave (APL) and Additional Statutory Paternity Pay (ASPP) to a qualifying person (usually the father) when the child's mother has returned to work - the requirements detailed in 2011DIN01-037 and 2011DIN01-115 (will be made available) must all be met.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.9 - 2.12.12
A3	Payroll & Expenses Calculation, Payment & Accounting	3.1 Action any 'Advances of Pay' (as defined JSP 754) for training exercises for those in receipt of 'Attendance Based Pay' (as defined JSP 754). Any payment not made to the correct SP or inaccurate payment to be rectified by the later of: (a) 5 Working Days of payment; and (b) the date of notification of failure to pay.	3.1 Payments must be made to the correct SP at least 99.9% of the time with an accuracy level of at least 99.9%. 3.2 Individual nett pay accounts to be at least 98% accurate.	Average 10 per month		• The volume of Advances will reflect the Annual Camp training programme for Volunteer Reserve units. The majority of such training will occur between Mar and Oct. This programme and the demand for Advances are entirely unpredictable. This is driven by demand and may fluctuate.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.13
A4	Payroll & Expenses Calculatio	4.1 Pay the 'Annual Training Bounty' to entitled Volunteer Reserve SPs in accordance with JSP 754 Pt 2 Ch 3	4.1 All payments to be at least 98% accurate.	18000 per annum		• Annual Training Bounty payments are dependent upon successful completion of all annual individual training targets. Normally only paid to Volunteer Reservists,	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses

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	n, Payment & Accounting	Sect 5 (v27 dated 1 Oct 17).				they can be paid to 'Called-Out' Reservists or Regular SPs (members of the Army, Royal Navy, Royal Marines and RAF) as they are paid in arrears and thus reflect former service terms and conditions of Service for Volunteer Reservists.	Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.14
A5	Payroll & Expenses Calculation, Payment & Accounting	5.1 Pay 'Statutory/Regular Reserves Annual Reporting Grant' in accordance with JSP 754 Pt 2 Ch 3 Sect 7 (v27 dated 1 Oct 17) and current rates nett of Tax and National Insurance within 10 Working Days of receipt of response to letter JPA 15.		6300 per annum		• The rate can change so Contractor needs to use the current rate. • The Tax and NI liability are met via a PAYE Settlement Agreement (PSA) reported under a separate serial.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.15
A6	Payroll & Expenses Calculation, Payment & Accounting	6.1 Pay or recover (as applicable) all forms of 'Commitment Bonus' (as defined in JSP 754) upon receipt of relevant documentation (for example JPAC) at the next available monthly payroll following receipt of relevant document(s) (i.e documents which are relevant to the payment of a Commitment Bonus).	6.1 Payments/Recovery must be actioned at the next available monthly Payroll at least 99.9% of the time with an accuracy level of at least 99.9%.	20 per month	RSPI	• This to include Medical Officer and Dental Officer (MODO) Bonuses.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.16 - 2.12.17
A7	Payroll & Expenses Calculation, Payment & Accounting	7.1 Implement and pay 'Financial Incentives' (as defined in JSP 754) (FRI) on receipt of relevant documentation. 7.2 Implementation of a new FRI to be within 2 calendar months of receipt of Authority (MilPers MilOps FDT) approval to proceed. 7.3 Payment to be made at next available monthly pay run following receipt and validation of application by the Authority (Career Manager) authorising payment. 7.4 When, for operational or presentational purposes, a shorter timescale is required the Contractor will agree an implementation timescale with the Authority (MilPers MilOps AH) within 5 Working Days of the request.		100 per month		This encompasses all FRIs and Golden Hellos. When a shorter a timescale is required this will be agreed with Authority (MilPers MilOps AH) within the agreed timescales.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.12 Payroll & Expenses Calculation, Payment & Accounting [Serials A1-A7] Paragraph: 2.12.18 - 2.12.19
A8	Mil Payroll - Authorisation & Approval	8.1 Conduct monthly management checks on balances for pay. The check on balances >£10,000 must include an independent validity (i.e. not simply referenced back to the originating Authority of a material sum e.g. a bonus payment which takes a person above the £10,000 will need to be investigated to ensure payment has been calculated correctly) check for material items that make up the					Schedule 4.1 Core Services - Military Personnel Services Section: 2.13 Mil Payroll – Authorisation & Approval [Serials A8-A9] Paragraph: 2.13.1 - 2.13.4

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		balance. Requesting confirmation of correctness from the issuing Unit will not meet the standard required for this serial. Therefore, the check must cover the correctness of each item against the SPs record in JPA and the relevant regulations. 8.2 Large balances (> £10,000), negative balances and zero balances to be checked to ascertain why they have occurred and any necessary amendments completed, if required, prior to the issue of payment instructions. 8.3 Rectify items that have been inserted incorrectly (e.g. 1000 entered instead of 10.00). 8.4 The Authority (MilPers MilOps PPG&A Mgr) to be informed monthly of those payroll records that exceed the £10,000 limit. The notification to include, but not be limited to, details of the reason for exceeding the threshold figure and who authorised the payment. 8.5 Unit HR Admin to be given 5 Working Days to view the element entries and statement of earning for each individual in a regular payroll, and submit amending inputs.					
A9	Mil Payroll - Authorisation & Approval	9.1 Correctly administer all Payments which are 'Rejected', 'Recalled', 'Revoked' or become 'Time Expired' within 10 Working Days of the Contractor being informed of the action.		300 per month		• A Bank/Building Society may reject a payment for many reasons - but typically it is because an invalid account code has been used. It remains an SP responsibility to ensure the Bank Account details held on JPA are correct.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.13 Mil Payroll – Authorisation & Approval [Serials A8-A9] Paragraph: 2.13.5 - 2.13.6
A10	Mil Payroll - Payment	10.1 Notify the relevant SP of the monthly pay amount for pay. 10.2 Make available electronic 'Pay Statement' (as defined in JSP 754) in accordance with existing structure on or before date of payment in accordance with the agreed 'Operational Processing Timetable'. 10.3 Produce and despatch hardcopy 'Pay Statement' to either the unit address or private address (as necessary) on or before date of payment in accordance with the Operational Processing Timetable before the last Working Days of the month following finalisation		225,500 per month Including 7500 sent to private addresses		• The volume quoted is based on the Standard Payroll Volume + 10%. The increase is required for those SPs where the number of transactions to be reported in any one month exceeds the physical limits of a single Pay Statement. • The requirement to produce hard copy pay statements is still under review and may be removed in the future. • Copy of current Pay Statement is contained within the Data Room.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.14 Mil Payroll – Payment [Serial A10]

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		of the end of month pay run. 10.4 For SF and secure protected population personnel, produce and despatch hardcopy Pay Statement in accordance with Appendix 1 to Annex A.					
A11	Mil Payroll - Accounting	11.1 Ensure monthly premium which will be payable by the Long Service Advance of Pay (LSAP) or Forces Help to Buy (FHTB) recipient is correctly applied in accordance with LSAP - JSP 752 Pt 2 Chapter 2 Section 4 Paragraph 02.0441 and FHTB - JSP 464 Vol 1 Pt 1 Art 1244.				• The premium exists to produce a fund available to permit waivers of recovery in certain circumstances and as authorised by the Authority (DBS MilPers MilOps RWO).	Schedule 4.1 Core Services - Military Personnel Services Section: 2.15 Mil Payroll – Accounting [Serials A11-A13] Paragraph: 2.15.1
A12	Mil Payroll - Accounting	12.1 Ensure monthly LSAP and FHTB premium repayments for personnel on career breaks and secondment are correctly and accurately managed in accordance with LSAP - JSP 752 Pt 2 Chapter 2 Section 4 and FHTB - JSP 464 Vol 1 Pt 1 Ch 12.		Very rare (typically <5 cases per FY)			Schedule 4.1 Core Services - Military Personnel Services Section: 2.15 Mil Payroll – Accounting [Serials A11-A13] Paragraph: 2.15.2
A13	Mil Payroll - Accounting	13.1 Pay authorised refund of bank charges for pay. The authorised amount must be paid to the correct SP's nominated bank account within 5 Working Days of notification of the amount authorised unless paid through payroll when payment to be made on the next available main pay payment		Very Rare (Average 1 per month)		Any refund will be approved by the Authority (Mil Pers MilOps RWO C1) and reflect a failure to achieve correct payment against serials A1/A2.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.15 Mil Payroll – Accounting [Serials A11-A13] Paragraph: 2.15.3 - 2.15.4
A14	Accounting - JSP & Legislation Regulations	14.1 Implement legislative changes affecting pay as a result of Government Budgets or other changes to applicable Laws affecting Payroll processing that are provided through ORACLE Software Patches and/or Updates at no additional cost to the Authority.				• Typically such software changes and updates will be actioned through the standard software maintenance arrangements, e.g. the 'Roll-Up Programme' (RUP) will be actioned as a part of the End-of-Year process.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.16 Accounting - JSP & Legislation Regulations [Serials A14-A15] Paragraph: 2.16.1
A15	Accounting - JSP & Legislation Regulations	15.1 Correctly account for all transactions/entries complying with all relevant JSPs including 462, 472 and 891 (and any JSPs that may supersede them), MOD Financial Instructions and DINs, and any DBS MilPers Local Accounting Instructions. 15.2 A full audit trail is to be maintained and retained for a minimum of 6 Financial Years from the date of the transaction.				• This requirement covers all JPA transactions/entries i.e. it includes, but is not limited to, transactions which are managed through Control Accounts (as defined JSP 891) because they cannot be posted directly into the MOD Financial Accounts.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.16 Accounting - JSP & Legislation Regulations [Serials A14-A15] Paragraph: 2.16.2 - 2.16.3
A16	Accounting - Control Accounts	16.1 Reconcile all Control Accounts by investigating and remedying all invalid postings related to JPA-administered transactions resulting from the Contractor's action/inaction within 20 Working Days of	16.1 Control Accounts to be reconciled with 100% accuracy and 100% timeliness, supported by formal Reconciliation Pack, measured monthly and	65 Control Accounts per month	KPI	• It is an Authority (DBS MilPers MilOps PPG&A) responsibility to provide a listing of all transactions posted to Control Accounts in the Defence Financial Management System (DFMS). This Listing is currently termed the "Return 11".	Schedule 4.1 Core Services - Military Personnel Services Section: 2.17 Accounting - Control Accounts [Serials A16-A17] Paragraph: 2.17.1

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		error being discovered or a remedial plan being agreed by the Authority (DBS MilPers MilOps PPG&A), whichever is the later. Each Control Account is to be supported each month by a formal Reconciliation Pack and performed as follows: (a) all other unidentified transactions/discrepancies shall be formally discussed at a Monthly Control Account meeting and resolutions agreed, with appropriate re-work identified for resolution within the accounting period; (b) ensure that all Control Accounts are fully auditable down to transactional level (i.e. individual transactions for individual Service Personnel) and supported by a local record/ledger where appropriate, e.g. for all debtor accounts, excluding legacy balances; (c) remedial plan to reconcile any unreconciled Control Account submitted within 20 Working Days of discovery and agreed by the Authority (DBS MilPers MilOps PPG&A) within 10 Working Days of submission. Such remedial plan must include realistic resourcing levels and achievable timescales; and (d) differences between the amount deducted from pay and the amount paid to Third Parties every month together with details of how the difference has been accounted for and what corrective action, including	calculated as "(Control Accounts correctly reconciled and Reconciliation Pack correctly delivered / Control Accounts due to be reconciled and Reconciliation Packs delivered) * 100".			• The content and detail to be agreed by the Authority (DBS MilPers MilOps PPG&A). The extant Reconciliation Pack to be the baseline for this agreement. • Ensure that there is a clear, coherent and transparent audit trail for every transaction that forms part of the Reconciliation Statement for each Control Account. • All Reconciliation Plans are to clearly show milestone dates (milestone dates are provided by the Contractor and agreed by the Authority) and deliverables (to show intended trajectory of recovery of unreconciled Control Account) plus how this work will be resourced without adversely affecting other Control Accounts. The Plan should include details of any proposed investigations down to unit level as required. • Foreign Exchange (ForEx) Gains and Losses to be fully accounted for and credited/charged to MOD using the appropriate accounting string. • It is not possible to provide detailed guidance on the volume of errors given that such errors are the result of the demand across the whole of JPA and hence the total number of transactions, the number of manual input errors, which is a function of the knowledge/experience of JPA users, the complexity of processes being used and the length of time since processes being used and the length of time since processes have been implemented and additionally the number of staff the Contractor employs in those areas that use manual inputs to JPA.	

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		accounting action, is required; 16.2 Progress against reconciliation plans reported within 10 Working Days of the end of every month. 16.3 Auditable explanations to support/justify any proposed write-off action requested of the Authority (DBS MilPers MilOps PPG&A) provided always for accounts administered directly by the Contractor. 16.4 All Unallocated Credits to be written-on to MOD Accounts when 6 calendar years have elapsed from date of receipt.					
A17	Accounting - Control Accounts	17.1 Ensure there are secure and auditable processes for adjusting or writing-off/on account balances. Subject to agreed levels of authorisation and clearance by Authority (DBS MilPers MilOps PPG&A).				• Write-off/on will only be approved by the Authority (DBS MilPers MilOps PPG&A) when a formal written submission is made by the Contractor. • Any Contractor liability for the write-off will be determined by the Authority (DBS MilPers MilOps PPG&A) and administered through the Performance Failure.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.17 Accounting - Control Accounts [Serials A16-A17] Paragraph: 2.17.2
A18	Accounting - Independent Assurance Process	18.1 Produce a quarterly report (MoD Form 1188) for each Control Account within 25 Working Days of quarter end or in accordance with 'Director General Financial Management (DGFM) Financial Reporting Timetable', whichever is the earlier.				• Copies of A18 will be made available in the data room.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.18 Accounting - Independent Assurance Process [Serial A18]
A19	Accounting - DFMS Feeder 15	19.1 Transmit monthly accounting data to DFMS within 1 Working Day of the subsequent month and rectify any errors on transmitting data to within 1 Working Days of discovery. The Contractor shall be responsible for any re-transmission(s) and for correcting any errors in the Feeder 15 file reported by DGFM. All data transmissions made in accordance with the extant technical specification for Feeder 15. 19.2 All portal errors, failures and/or auto-corrections (re-postings by the portal application) are to be notified to the Authority, investigated, and processes corrected to ensure that there are no repeat occurrences in the subsequent month.	19.1 Data transmitted with 100% accuracy and 100% timeliness measured monthly and calculated as "(Data transmitted to DFMS accurately in 1 Working Day / Data due to be transmitted to DFMS in 1 Working Day) * 100". 19.2 Portal errors, failures, and/or auto-corrections to be investigated and processed with 100% accuracy, measured monthly and calculated as "(all portal errors and auto-corrections investigated and processes corrected / all portal errors and auto-corrections) * 100".		KPI	• Feeder 15 is the name of the monthly file of all financial activity inside the JPA system. It is a double entry report, it must balance to 0. • DGFM - FMSSC Liverpool manage, administer, and maintain the DFMS portal. • Data is "Thin Feed" - all transactions for the month being reported are aggregated at UIN/RAC level. • The process and the resultant file are termed "Feeder 15". • The DGFM Timetable as amended in May 17 and the Mil Payroll exemption remain subject to on-going review. Any change may require earlier closure of the Payroll to meet an earlier reporting date. • When auto corrections occur at the DFMS Portal JPA and DFMS accounting strings will be different. Both the Authority and the Contractor need to be aware of this and understand why JPA is generating accounting strings that DFMS cannot accept. Currently this occurs most frequently when transactions from the Retro Basic Pay process identify an historic accounting string which	Schedule 4.1 Core Services - Military Personnel Services Section: 2.19 Accounting - DFMS Feeder 15 [Serial A19]

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						is no longer valid within DFMS.	
A20	Accounting - Payroll / Expenses Accounting Enquiries including MI	20.1 Provide accurate Management Information on Payroll and Expenses within 10 Working Days of the end of each month of the time broken down as follows: (a) number of 'Salary Based Payments' for the reported month; (b) total gross 'Salary Based Pay' for the reported month; (c) total amount paid to HMRC for the reported month in respect of Income Tax and National Insurance contributions for 'Salary Based Pay'; (d) number of 'Attendance Based Payments' for the reported month; (e) total gross 'Attendance Based Pay' for the reported month; and (f) total amount paid to the HMRC for the reported month in respect of Income Tax and National Insurance contributions for Attendance Based Pay.				• This forms part of the Monthly Service Delivery Report to the Authority (DBS MilPers MilOps CPMT) which is currently in the performance regime.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.2 Accounting - Payroll / Expenses Accounting Enquiries including MI [Serials A20-A21] Paragraph: 2.20.1 - 2.20.2
A21	Accounting - Payroll / Expenses Accounting Enquiries including MI	21.1 Provide Management Information on LSAP and FHTB once a month within 5 Working Days after payroll containing details of recipients in accordance with agreed report criteria as agreed with the Contractor and Authority.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.2 Accounting - Payroll / Expenses Accounting Enquiries including MI [Serials A20-A21] Paragraph: 2.20.3 - 2.20.5
A22	Accounting - Miscellaneous Requirements	22.1 Retain all documents used to support or report a financial transaction, irrespective of the media used for their creation, for a minimum of 6 years from the end of the Financial Year in which they are created and make them available to agreed stakeholders.	22.1 All relevant documents available within 10 Working Days of being requested 98% of the time.				Schedule 4.1 Core Services - Military Personnel Services Section: 2.21 Accounting – Miscellaneous Requirements [Serial A22]
A23	Payment & Banking Processes - BACs/Faster Payment	23.1 All payments to be correctly processed and in accordance with Government Banking Services (GBS) Regulations within 1 Working Day. 23.2 All payments to non-UK banks must be correctly formatted to comply with recipient country banking standards		225,000 per month		• This requirement covers both Payroll and iExpenses business. It also includes AFPS and AFCS payments processed using the JPA payment procedures. • The BACs entry for all salary payments (including those for attendance based SPs) must conform to all HMRC RTI requirements. • Depending on their location or the location of	Schedule 4.1 Core Services - Military Personnel Services Section: 2.22 Payment & Banking Processes - BACs/Faster Payments/Payable Orders [Serials A23-A26] Paragraph: 2.22.1 - 2.21.2

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	s/Payable Orders	and regulations. 23.3 Always inform the Authority (DBS MilPers MilOps Current Ops) of all 'Advice of Wrong Account for Automated Credits Service' (AWACS) notifications within 5 Working Days of receipt of the notification. 23.4 All payment formats for non-UK banks to be created within 15 Working Days of a format being required/changed, or as otherwise agreed with the Authority (DBS MilPers MilOps PPG&A or Current Ops).				dependants, an SP can have part or all of their pay paid to a non-UK bank. [Note: Also applies to payments of expenses or other payments actioned through BACS.] All payments to non-UK banks must be formatted to meet the banking standards of the receiving bank in the recipient country. If a non-UK bank requires address details to be included then the Authority (DBS MilPers MilOps PPG&A or Current Ops) will provide the necessary details - the SPs address should not be used as a default value. • AWACS is operated by BACS and details where an SP has moved their bank account and not informed JPA of new Bank Account details. The Authority (DBS MilPers MilOps Current Ops) should be informed so SPs unit can be informed.	
A24	Payment & Banking Processes - BACs/Faster Payments/Payable Orders	24.1 Ensure all Main Payroll BACS clearing is authorised by appropriate Contractor Manager prior to release and inform the Authority (DBS MilPers MilOps Current Ops) informed of Main Payroll BACS release on day of release each month. Any release failures to be reported to the Authority (DBS MilPers Current Ops) immediately.		1 per month		• The objective of this serial is to ensure the release of the Main Payroll is controlled and formally authorised by an appropriate Contractor manager.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.22 Payment & Banking Processes - BACs/Faster Payments/Payable Orders [Serials A23-A26] Paragraph: 2.22.3
A25	Payment & Banking Processes - BACs/Faster Payments/Payable Orders	25.1 Action payments within the agreed date where "Faster Payment" is the payment method requested by the Authority. A record of all "Faster Payments" is to be maintained and be available for Authority (DBS MilPers MilOps PPG&A or DBS MilPers MilOps DM RWO) inspection as required.		5 per month		• The "Faster Payment" process is the only option where an urgent payment is required. • The payment date can vary and will be agreed between the Contractor and Authority on a case by case basis.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.22 Payment & Banking Processes - BACs/Faster Payments/Payable Orders [Serials A23-A26] Paragraph: 2.22.4
A26	Payment & Banking Processes - BACs/Faster Payments/Payable Orders	26.1 Administer and control the stock of pre-printed 'Payable Orders' (a cheque) as required to cover normal working volumes 26.2 Maintain between 3 to 12 months of stock based on average monthly usage. All re-Order requests to be processed through the Authority (DBS MilPers-MilOps PPG&A).				• Nominal stock to be maintained in secure alternate location to cover any Business Continuity event.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.22 Payment & Banking Processes - BACs/Faster Payments/Payable Orders [Serials A23-A26] Paragraph: 2.22.5 - 2.22.6
A27	Payment & Banking Processes - Admin Bank Accounts	27.1 Provide a payment schedule of the total value of all payments and receipts made on each day of the month by bank account. 27.2 The Contractor is to ensure overseas payment processes are both sufficiently robust and adequately		42 per month		• Payments recorded will include, but not be limited to, BACS totals and Payable Orders issued Totals and will include overseas payments. Also applies to AFPS and AFCS payments. • Information to include total payments and receipts by day, by payment method and by bank account.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.23 Payment & Banking Processes - Admin Bank Accounts [Serial A27]

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		flexible to cope with the use of International Bank Account Numbers being processed throughout international banking systems.					
A28	Payment & Banking Processes - DBS MilPers Bank Account including Funding	28.1 Provide to the Authority (DBS MilPers MilOps PPG&A) a monthly forecast of funding requirements to bank accounts. The forecast must include the following payment types: (a) pay & allowances; (b) expenses; (c) 'Terminal Benefits' payable immediately (an example of this benefit would be a terminal grant paid at the date of discharge); (d) financial assistance payments; (e) any other payment made by the Contractor in support of DBS MilPers Business (including payments made via Accounts Payable functionality in support of transactions related to AFPS and AFCS); (f) PAYE - including Income Tax, NI (both Employees' and Employers'), Student Loans and the Apprentice Levy covering all Payroll, PSA and P11D activities; and (g) SCAPE. 28.2 Forecast (split between 'Bank Automated Clearing System' (BACS), 'Clearing House Automated Payment System' (CHAPS), 'Payable Orders and Request for Transfer' (RFT)), to be provided by the 2nd Working Day of each month preceding the month for which the funding is required.		1 Forecast per month		• Details of the required format, covering explanations of variances and granularity of figures is provided in the DBS MilPers Local Instruction. • AFPS and AFCS overall funding requirements are specified outside this serial.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.24 Payment & Banking Processes - DBS MilPers Bank Account including Funding [Serials A28-A29] Paragraph: 2.24.1 - 2.24.2
A29	Payment & Banking Processes - DBS MilPers Bank Account	29.1 Provide a statement of the total actual monthly payroll and other expenses/payments to be paid from accounts funded in accordance with the Monthly Forecast 29.2 Statement to be provided direct to DFinStrat FMPA ATM TA BANKING		1 Statement per month		• The statement is to assist DFinStrat FMPA ATM TA BANKING staff in smoothing the Dept actual cash flow against the forecast at the month end.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.24 Payment & Banking Processes - DBS MilPers Bank Account including Funding [Serials A28-A29] Paragraph: 2.24.3

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	including Funding	and copied to the Authority (DBS MilPers MilOps PPG&A Team) no less than 4 Working Days prior to the last Working Day of the month. To include any known AFPS and AFCS payments being processed using the JPA payments procedures. 29.3 Any discrepancy between this figure and the forecast greater than 5% is to be highlighted immediately to the Authority.					
A30	Payment & Banking Processes - Manage Bulk Cheque Encashment Facility	30.1 Administer schedules of 'Bulk Cheques' received from Units, process them through the bank, crediting unit Imprests (a military unit financial account) with total value of valid cheques received. 30.2 Update a 'Register of Cheque Blocks' forwarded by Units within 1 Working Day of receipt. 30.3 Inform the relevant Unit of missing cheque block serial(s) when a subsequent cheque block is received, within 3 Working Days of receipt. 30.4 Present all valid cheques to bank for credit in accordance with RBS procedures, crediting to relevant MOD Accounting String in accordance with current MOD Banking Instructions within 5 Working Days of receipt. 30.5 Always return invalid cheques to Unit for correction within 1 Working Day of discovery. 30.6 Notify the Authority (DBS MilPers MilOps PPG&A and Current Ops) on every occasion of an apparently missing cheque block.	30.1 Return Cheque Block receipt note to originating unit within 3 Working Days of receipt of cheque block. 30.2 Enter valid cheques into local ledger within 3 Working Days of receipt.	400 Schedules per month 6750 Cheques per month	RSPI	• Cheques arrive in batches/blocks from Units. Each block must be administered separately at the point of receipt. Thereafter the blocks are broken down into individual cheques for checking and subsequent processing. • It is MOD's intention to reduce the incidence of cheque encashment through the wider use of Early Payments in Cash (EPIC). However, there will be an irreducible rump of cheque encashment business going forward.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.25 Payment & Banking Processes - Manage Bulk Cheque Encashment Facility [A30-A31] Paragraph: 2.25.1 - 2.25.3
A31	Payment & Banking Processes - Manage Bulk Cheque Encashment Facility	31.1 Administer cheques marked "Return to Drawer" as follows: (a) raise the appropriate penalty charge in accordance with current instructions to ensure recovery at the next available payroll after receipt of returned cheque; (b) recover the full value of Return to Drawer cheques plus current penalty charges from the individuals at the next monthly main payroll and credit to the		350 Cheques per month		• The volumes assume 8.75% "bounced cheque" rate. • DFinStrat FMPA ATM TA BANKING Instructions for applying charges are reviewed annually.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.25 Payment & Banking Processes - Manage Bulk Cheque Encashment Facility [A30-A31] Paragraph: 2.25.4

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		appropriate MOD Accounting Code which is used to post the transaction in to the correct place in the MOD Financial Accounts in accordance with current MOD Banking Procedures; (c) for cheques from individuals who have been terminated pass the details (including charges) to the Authority (DBS MilPers MilOps RWO) for subsequent recovery action, within 5 Working Days of receipt of a returned cheque.					
A32	HMRC - Joiners/New Entrants	32.1 Ensure valid P45 details are correctly entered into the new joiner's payroll account so that the details are operable at the available payroll.		330 per month			Schedule 4.1 Core Services - Military Personnel Services Section: 2.26 HMRC – Joiners/New Entrants [Serials A32-A35] Paragraph: 2.26.1
A33	HMRC - Joiners/New Entrants	33.1 Where no valid P45 is proffered, input a correctly completed Starting Declaration raised by the new joiner's training establishment and place individual on appropriate Tax Code and Taxation Basis in time for the next available payroll. 33.2 For new joiners to the Volunteer Reserve Forces (including Cadet Force Adult Volunteer (CFAV)), ensure HMRC are informed of the commencement of a secondary employment.		Regulars 1500 per month Volunteer Reservist and CFAV 40 per month		• The Starting Declaration is also known as the New Starter Declaration or Starter Checklist.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.26 HMRC – Joiners/New Entrants [Serials A32-A35] Paragraph: 2.26.1
A34	HMRC - Joiners/New Entrants	34.1 Recover any 'Contributions Equivalent Premium' (CEP) payment previously made within 20 Working Days, when a joiner is a "Re-Joiner" who was previously subject to CA1611 (which is a National Insurance collection office form for reporting CEP activity) action which resulted in a CEP being paid that has not already been recovered. 34.2 All recoveries to be credited to AFPS and checked against original CEP payment to ensure 100% recovered. Where recovery is denied by HMRC (NICO) the Authority are to be informed within 5 Working Days of receipt of the notification from HMRC (NICO).		5 per month		• Notification of Re-Joiner for whom a CEP has been paid should be automatic up to the point of termination of service. • An individual SP may terminate more than once without accruing > 2 years reckonable for pension service. However, each termination of service will result in a separate CEP being paid for the full aggregated reckonable service. • The requirement to pay a CEP ceased with the abolition of Contracted-Out National Insurance Contributions on 6 Apr 2016 (1 Apr 2016 for the Military Payroll). There will be a two year period for any SP who joined after May 2014 in which a CEP would be required - which will expire Dec 2017. Given the limitation on reclaiming CEPs for re-joiners this serial will become inactive on 31 Dec 2019.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.26 HMRC – Joiners/New Entrants [Serials A32-A35] Paragraph: 2.26.2
A35	HMRC - Joiners/New	35.1 Ensure Tax and National Insurance are correctly calculated for the first Payroll for a new joiner and re-joiners (re-		1545 per month		• The maximum volume will equal the aggregate of serials covering new joiners. The average volume will only include those with material prior month earnings and	Schedule 4.1 Core Services - Military Personnel Services Section: 2.26 HMRC – Joiners/New

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	Entrants	enlistments).				Volunteer Reservist SPs who transfer permanently to Regular. • HMRC instructions are contained in the Employer Further Guide to PAYE and National Insurance contributions (which replaces CWG2) under the heading "Late Notification of Marginal Items of Pay" on the HMRC website. Where a material sum is earned in a previous month the correct calculation, allocating sums to each period, must be undertaken.	Entrants [Serials A32-A35] Paragraph: 2.26.3
A36	HMRC - Operation of PAYE under RTI	36.1 Calculate the monthly Employer Apprentice Levy in accordance with HMRC guidelines. 36.2 The monthly "Pay Bill" must include all payments to SPs that are subject to Employer Class 1 Secondary National Insurance contributions. This must include all SPs earning below the Lower Earnings Limit and the Secondary Threshold, SPs aged under 21 years of age and SPs designated as Apprentices aged under 25 years of age. 36.3 Earnings where Class 1A NICs (e.g. Benefits-in-Kind) or Class 1B NICs (PSA) liabilities arise are not to be included. 36.4 The MOD's Annual Apprentice Levy Allowance will all be applied to the Military Payroll and is to be applied in equal monthly deductions from the calculated figure before payment is made.		1 per Month			Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.1
A37	HMRC - Operation of PAYE under RTI	37.1 Calculate and pay-over all statutory Tax and Earnings-Related National Insurance Contributions (ERNIC) to HMRC for each correct PAYE Ref on the dates set in the Funding Forecast. 37.2 For statutory payments (e.g. PAYE/ERNIC, Student Loans and Apprentice Levy nett of allowed NI deductions for SMP/SAP/SPP etc.) the Contractor shall submit a report to the Authority for each payment run (normally monthly) showing the analysis of the total paid.	37.1 All statutory tax and ERNIC deductions paid-over to HMRC with 100% accuracy and 100% timeliness, measured monthly and calculated as "(correct deductions for statutory Tax and ERNIC paid-over to HMRC on the dates set in the Funding Forecast / all deductions that should have been applied on dates set in the Funding Forecast) * 100". 37.2 Monthly report submitted to the Authority with 100% accuracy and 100% timeliness, measured monthly and calculated as "(Report submitted for each payment run / All Payment Runs) * 100".	2 Monthly Payovers	KPI	• It is a Contractor responsibility to ensure each payover is made on the correct date. Whilst the norm is the 19th calendar day of the subsequent month, the due dates for payover must accord with the monthly Funding Forecast timetable to ensure dispensing of funds matches the timelines set: Failure to strictly adhere to this could result in penalty charges being levied by Government Banking Services (GBS) or HM Treasury (HMT). • The sum paid must agree with the balance(s) shown on the Employer Payment Summary (EPS) under RTI. • Under no circumstance should the sum paid over be reduced to reflect any P14(S) or CA1421 (these are historic Tax and National Insurance adjustment forms for pre-RTI payroll adjustments) amendments. Under RTI these adjustments will be paid back direct to MOD rather than operating through an off-setting arrangement.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.2

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						• Under no circumstances shall the sum paid over to HMRC exceed the aggregated nett sum calculated in the payroll process for the relevant items of tax and ERNIC (both Employees and Employers) plus Student Loan Deductions, subject to any refunds agreed by HMRC for Statutory Payments.	
A38	HMRC - Operation of PAYE under RTI	38.1 Ensure all forms of Statutory Payments (including those made under AFOMS rules) are correctly applied to individual SPs and the aggregated NI payover offset is correctly calculated and applied before MOD makes its monthly payover to HMRC. Ensure all Statutory Payments are reported for the SP on their monthly RTI record. 38.2 Ensure any Payroll adjustments are correctly applied for the period covered by the SPL and/or ShPP sharing arrangement.				• Requirement includes all forms of Statutory Payments actioned through JPA including, but not limited to, SMP, SPP (including ASPP and OSPP), SAP, SPL and ShPP.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.3
A39	HMRC - Operation of PAYE under RTI	39.1 Administer Student Loans to ensure they are correctly recovered from Payroll using the correct Student Loan Plan, accounted for, paid-over monthly to HMRC and started/stopped/amended in accordance with HMRC Instructions.		12,800 Annually		• Criteria for start and continuation of recovery are contained in HMRC Publications. • Student Loan Recovery can only be stopped when official notification received from Student Loan Company via HMRC - SL2 - Stop Notice • The Contractor must ensure the correct Student Loan Plan is applied to every SP with a Student Loan, all Student Loan Deductions are correctly reported for the SP on their RTI record, all Student Loan Deductions are included in the EPS File and the accompanying Payover.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.4
A40	HMRC - Operation of PAYE under RTI	40.1 Produce, validate and despatch to HMRC an accurate and complete Monthly Full Payment Summary (FPS) based on the data held for each JPA payroll within the legislative timescales set by HMRC. 40.2 The Authority (DBS MilPers MilOps PPG&A) informed of any failure to produce, validate or despatch an FPS file within 1 Working Day of the failure. 40.3 The FPS is always to be despatched to HMRC on or before the date on which the payment to SPs is made. 40.4 Any error/rejection of the FPS by HMRC is to be immediately reported to the Authority using the extant Vantive procedure. Corrective action and resubmission is to be undertaken as a priority task. 40.5 A plain copy version of each FPS is to		1 FPS per month for each Payroll		• The FPS must record the payroll details for each SP on a Payroll in accordance with the HMRC data requirements. The Hash Code l on FPS must be the same as the Hash Code l on the BACS file for the largest single payment to the SP. The Hash Total on FPS will not equal the aggregate payment to an SP where Splits of Pay are in operation - there are special RTI rules covering this - typically the largest single payment will be used (but the RTI record will include all relevant earnings). • The inclusion of the SPs Address is mandatory for all New Joiners and where a valid NINO is not held. It is an individual SP requirement to inform both JPA and HMRC of changes in relevant personal circumstances, e.g. Address. • If an SP's Assignment Number changes then both the old 'Assignment Number' and the new 'Assignment Number' are to be reported plus the Payroll ID Change Indicator must be set. • The FPS is to be sent to HMRC in accordance with the	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.5

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		be retained for at least six years, in accordance with the current MOD Financial Data retention policy.				relevant HMRC Message Implementation Guideline for the Financial Year using the standard XML link for all Payrolls other than those related to the Protected Population. The 2017/18 version is EB5(PAYE)/EPS18 (a document available on the web). • The FPS validation and release procedure must be completed before the FPS File is despatched. The same Validation and Release Procedure will be required for all FPS files related to the Protected Population, i.e. no different requirement for those files containing records where the Special Handling Flag (a HMRC PD2 security marker) is set. • For Payrolls related to the Protected Population special handling and the Catapan encrypted communications link is to be used. • For the final submission for the tax year indicate that it is the 'Final Submission' for the tax year and complete the Questions and Declaration Statement/Questionnaire.	
A41	HMRC - Operation of PAYE under RTI	41.1 Ensure all RTI Indicator Flags and Value, as contained in RTI Rules, are correctly set on all FPS submissions according to the individual circumstances of each SP.		Monthly for each FPS		• The following details are examples: ○ Pay Frequency: This should be set to "M1" [Calendar Monthly] for all Regulars, FTRS, NRPS, MPGS and Mobilised Reservists. For all other SPs it should be set to "IR" [Irregular]. Note: Where an SP who would normally have this value set to "M1" is shown as being on a long term unpaid absence (including AWOL) then "M1" is to be replaced by "IR" from the date the absence is shown on JPA until the SP returns to paid service. ○ Employment Payment Pattern Indicator: This should always be set to "Yes" whenever Pay Frequency is set to "IR". ○ Number of Normal Hours Worked: This should be set to "C" [30 hrs or more] for all Regulars, FRTS, NRPS, MPGS and Mobilised Reservists. For all other SPs it should be set to "D" [Other].	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.6
A42	HMRC - Operation of PAYE under RTI	42.1 Accurately update Payroll Records as required by any 'Return Message' from HMRC following an FPS Submission within 5 Working Days of receipt of correct information or in accordance with HMRC legislative directions. 42.2 Where information is required from SP, Unit HR Admin, HMRC, or other third party then the timeframe for completion will not commence until such information is provided by that third party. The initial request for such information must be made within 5 Working Days of the receipt of the FPS response.				• The response to FPS requiring JPA update will be limited to NINO (either amending the NINO JPA reported or providing a NINO were JPA previously held no NINO) or ad hoc requirements (which currently are assumed to be very few or nil). Relevant Contractor's Business Process Team's desk instructions will list all potential messages and actions required. • All such FPS responses for the Secure/SF populations will be received manually.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.7

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A43	HMRC - Operation of PAYE under RTI	43.1 Produce an accurate and complete Monthly Employer Payment Summary (EPS) and despatch to HMRC within the legislative timescale set by HMRC. 43.2 Any error/rejection of the EPS by HMRC is to be immediately reported to the Authority. Corrective action and resubmission is to be undertaken as a priority task. 43.3 A plain copy version of each EPS is to be retained for at least 6 Financial Years after the Financial Year of its creation, in accordance with the current MOD Financial Data retention policy.		1 EPS per month		• The EPS must reconcile the total of all Full Payment Submissions (FPS) for the PAYE Ref for the month against the sum paid over, taking into account the recoveries allowed for Statutory Payments, e.g. SMP, SAP etc. Note: Under current HMRC rules P14(S) and CA1421 adjustments must NOT be included in the EPS reconciliation of FPS totals to payover. • The EPS is to be sent to HMRC in accordance with the relevant HMRC Message Implementation Guideline for the Financial Year. The 2017/18 version is EB5(PAYE)/EPS18 as available on the web. • The EPS is to be despatched to HMRC by the 19th calendar day of the month following the tax month being reported. • For the final submission for the tax year indicate that it is the 'Final Submission' for the tax year and complete the Questions and Declaration Statement/Questionnaire. • This serial is allied to the physical payover to HMRC on a monthly basis. The EPS total must be reconciled to the sum paid.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.8
A44	HMRC - Operation of PAYE under RTI	44.1 Accurately report to HMRC via the Earlier Years Update (EYU) any prior year adjustments to Taxable Earnings, Tax Deducted and/or NI (Including both Employees and Employers), within 20 Working Days of the requirement for an adjustment becoming known.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.9
A45	HMRC - Operation of PAYE under RTI	45.1 Ensure all security requirements associated with the management and reporting of data related to SPs in the 'Protected Population' are in accordance with and fully meet HMRC guidelines and code of conduct for administering and reporting under RTI, and MOD Security Rules for the PD2 population with the 'Special Handling Flag' set. Any Security breach, either actual or possible, is to be reported immediately to the Authority (DBS MilPers MilOps PPG&A and SO1 Security). 45.2 All records relating to use of the Secure Communications link into HMRC are to be securely retained for a minimum of 2 Financial Years after the Financial Year of its creation.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.27 HMRC - Operation of PAYE under RTI [Serials A36-A45] Paragraph: 2.27.10
A46	HMRC - Tax Code	46.1 Accurately update Income Tax codes for payroll operations under 'PAYE – Received' via XML. Incorrect data received from HMRC to be rectified within 10 Working Days of discovery of	46.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	One update for every coding	RSPI	• Rectification can include returning the erroneous code to HMRC for correction using XML on the www.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.28 HMRC – Tax Code [Serials A46-A48]

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		issue. 46.2 Any P6 received after the cut-off date for March payroll must be returned to HMRC marked "Unactioned".		revision.			Paragraph: 2.28.1
A47	Not used						
A48	HMRC - Tax Code	48.1 Ensure valid annual exemption certificates are held for all SPs for all Payrolls claiming an "NT" tax code and retain a copy of each certificate in accordance with the MOD document retention policy.		15 per annum			Schedule 4.1 Core Services - Military Personnel Services Section: 2.28 HMRC – Tax Code [Serials A46-A48] Paragraph: 2.28.2
A49	HMRC - NI	49.1 Ensure the correct NI Category is used for Payroll operations under PAYE. 49.2 Inform the Authority (DBS MilPers MilOps PPG&A) when no single Service (sS) listing of Apprentices has been received by the agreed deadline prior to monthly payroll process. 49.3 Update the NI Category for SPs in accordance with the monthly sS lists of Apprentices in time for the main payroll run.	49.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	205,000 per month Includes 1500 New Entrants per month	RSPI	• Since Apr 2016 the NI Category must be one of the following: • A - The Default Value for SPs aged over 21 years of age unless an Apprentice covered by Cat H. • B - For Married women or widows entitled to pay reduced NI contributions. • C - SP over State Pension age. Very unlikely to apply to any SP other than CFAV. • J - SP aged over 21 years of age who can defer NI because they are already paying in a different job. Note: This can only apply to Volunteer Reservist and CFAV SPs. • H - SP aged under 25 years of age in a Government recognised Apprentice Training Scheme. • M - The Default Value for SPs aged under 21 years of age. Note: Not to be used for SPs in a Government recognised Apprentice Training Scheme. • X - SP who does not have to pay National Insurance e.g. a non-UK national in Volunteer Reservist or Gibraltar Regt. Note: HMRC will normally issue an exemption certificate. • Z - SP under 21 years of age who can defer NI because they are already paying in a different job. Note: This can only apply to Volunteer Reservist and CFAV SPs.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.29 HMRC – NI [Serials A49-A50] Paragraph: 2.29.1
A50	HMRC - NI	50.1 Ensure all valid (annual) NI Exemption Certificates are to be held and retained for SPs in NI Category B, J, X or Z		10 per annum			Schedule 4.1 Core Services - Military Personnel Services Section: 2.29 HMRC – NI [Serials A49-A50] Paragraph: 2.29.2
A51	HMRC - Miscellaneous Requirem	51.1 Resolve returned P60s and P45s and securely destroy prior year returned P45s. Where P45s are returned due to incorrect addresses being provided,	51.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as	500 per month	RSPI		Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous Requirements [Serials A51-A57]

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
	ents	contact an individual's last known Unit HR requesting an updated address within 10 Working Days of return. 51.2 Where P60s are returned due to incorrect addresses being provided, contact an individual's last known Unit HR Admin requesting an updated address within 30 Working Days of return. 51.3 All P45s printed with no address/unit address to be retained until the beginning of next Financial Year or despatch to terminated individual on request within 5 Working Days of receipt. 51.4 Despatch P45s and P60s to updated addresses within 5 Working Days of receipt.	applicable.				Paragraph: 2.30.1
A52	HMRC - Miscellaneous Requirements	52.1 Comply with HMRC Standards for payroll Software.				• HMRC web site provides links to standards/regulations - www.hmrc.gov.uk.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous Requirements [Serials A51-A57] Paragraph: 2.30.2
A53	HMRC - Miscellaneous Requirements	53.1 From the point the Volunteer Reservist or 'Statutory' Reserve is classified as mobilised, ensure the Tax and NI details have been amended to reflect MOD becoming main employer. 53.2 All Volunteer Reservists and Statutory Reservists on Mobilisation have the correct Tax code & basis and NI category. 53.3 Monthly listing of all SPs mobilised in-month despatched to HMRC within 5 Working Days of end of month.		50 per month		• Individual (Volunteer or Statutory/Ex-Regular) Reservist will be treated as a de facto Regular from the date of Mobilisation - albeit some allowances/payments will only be made to such pers e.g. Pay Supplement to reflect difference between normal/agreed civilian salary and military salary now being paid. • HMRC require listing of pers Mobilised each month to ensure correct tax codes issued to main (now MOD) and any secondary employers. • For Real Time Information (RTI) reporting - If a new Assignment is created on mobilisation (termed a Dash Account) ensure the new Assignment Number is shown as the Payroll ID in this Employment the indicator is set to "Yes" and the former Assignment Number is shown as the Old Payroll ID for this Employment.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous Requirements [Serials A51-A57] Paragraph: 2.30.3
A54	HMRC - Miscellaneous Requirements	54.1 From the point the Reservist is no longer classified as mobilised, ensure the Tax and NI details have been correctly amended to reflect that MOD is no-longer the main employer. 54.2 Despatch to HMRC a monthly listing within 5 Working Days of the last day of the relevant month, for all SPs de-mobilised within that month.	54.1 All Volunteer Reservists on De-Mobilisation have the correct Tax code & basis and NI category .	50 per month		• HMRC require listing of pers de-Mobilised each month to ensure correct tax codes issued to main and all secondary employers. • For Real Time Information (RTI) reporting - Report any changes in Assignment Number complete the relevant fields.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous Requirements [Serials A51-A57] Paragraph: 2.30.3
A55	HMRC - Miscellaneous	55.1 Ensure all HMRC Statutory Rates, Bandwidths and Thresholds are updated and correctly applied to all Payroll Operations	55.1 HMRC Statutory Rates, Bandwidths, and Thresholds are updated and applied	Once per annum	KPI	• Normally only once per annum via the End of Year (EOY) ORACLE RUP, however budgetary changes	Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
	Requirements	under PAYE, unless otherwise agreed with the Authority (DBS MilPers MilOps PPG&A). The update shall include, but not be limited to, the following: (a) Income Tax Rates and Bandwidths for the UK and for the devolved legislations with tax setting powers - e.g. Scottish Rate of Income Tax (SRIT). Note: The separate requirements of SRIT will be replicated when separate taxation powers are devolved to Wales and Northern Ireland; (b) National Insurance Rates and Bandwidths for all NI Categories for both Employers and Employees; (c) Rates of all forms of SMP, SPP including ASPP and OSPP, SAP and ShPP; (d) P11D Benefit Threshold and HMT annual average Interest Rate; (e) Student Loan Threshold and percentage recovery rate for all plan types; and (f) Annual Allowance for Apprentice Levy.	with 100% accuracy and 100% timeliness, measured monthly and calculated as "(HMRC Statutory Rates, Bandwidths and Thresholds applied accurately and on time / all HMRC Statutory Rates, Bandwidths and Thresholds applied) * 100".			could increase the volumetric.	Requirements [Serials A51-A57] Paragraph: 2.30.4 - 2.30.5
A56	HMRC - Miscellaneous Requirements	56.1 Within 10 Working Days of receipt of a written request, issue a 'Statement of Letting Interest' paid by the recipient of an LSAP or FHTB to the HMRC in accordance with 'JSP 752' Part 2 Chapter 2 Section 4 art 02.0421 and 'FHTB - JSP 464' Vol 1 Part 1 art 1222.		10 per month		• The issuing of a statement of Letting Interest will be triggered by a written request from the SP.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous Requirements [Serials A51-A57] Paragraph: 2.30.6
A57	HMRC - Miscellaneous Requirem	57.1 Ensure SPs Tax Record in HMRC is only Flagged as "Protected Population" when required. The Authority (PPG&A) is to be provided with a copy of the		1 report to HMRC per month		• All SPs whose 'Cap Badge', role, position, post or personal circumstances change such that they are placed in the SF or Secure Payroll are to have their HMRC Tax Record amended to include the Security	Schedule 4.1 Core Services - Military Personnel Services Section: 2.30 HMRC – Miscellaneous Requirements [Serials A51-A57]

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
	ents	monthly 'starts and stops' report sent to HMRC. 57.2 Report of SPs to have the Security Flag set or removed despatched to HMRC within 5 Working Days of the end of the month in which a relevant change in circumstance has occurred.				Flag that provides the equivalent of PD1 handling without the need to use a different tax reference to the main Military Payroll. This change means that all subsequent RTI reporting is to be undertaken using the encrypted/secure Katapan link and messages relating to these SPs will be received using manual media. • When the criteria for SF or Secure Payrolls no-longer apply the HMRC special handling associated with the Security Flag will not be required.	Paragraph: 2.30.7
A58	EoY - Actions	58.1 Provide the Authority with an accurate and complete EXCEL® Report of all payroll activity for the Tax Year. The Report must contain: (a) assignment number; (b) surname; (c) payroll; (d) NINO; (e) tax code; (f) tax basis; (g) NI category; (h) 'GTEs This Employment'; (i) 'Tax This Employment'; (j) 'GTEs Previous Employment'; (k) tax previous employment; (l) employees NI deductions this employment; (m) employers NI deductions this employment; (n) Student Loan deductions this employment; (o) SMP/SAP/SPP/ASPP/OSPP or ShPP paid; (p) joining date (if in the Payroll Year); and (q) discharge date (last day on pay in the year).	58.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	1 Report per annum within 20 Working Days of the 31 March	RSPI	• This requirement is to provide a report that will enable the Authority to be assured of the accuracy of the Payroll operation and its coherence with all relevant PAYE Regulations and associated legislation regarding Statutory Benefits/Payments before the release of P60s and P11Ds is authorised. Additionally, the data can be used to meet MOD reporting requirements against Cabinet Office Payroll Transparency requirements and to support subsequent payroll analysis by the NAO. • The following desirable details are requested for each SP for the Year being reported - These fields will better enable the Authority to complete assurance checks: • Service Number. • Forenames. • Rank Translation. • NATO Rank. • Service. • Service Type (so that Regulars, MPGS, ADC, Called-Out Reservists etc. can be identified). • Gross Pay This Employment.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.31 EoY – Actions [Serials A58-A62] Paragraph: 2.31.1
A59	EoY - Actions	59.1 Complete all End of Year (EoY) financial processes for all payrolls (including but not limited to P60, P11D, PSA extract. updating tax codes, checking validity of exemption certificates for tax and NI, and producing annual report of payroll activity), ensuring that all payroll balances relevant to the current Financial Year are cleared/zeroised in accordance with the HMRC/Authority	59.1 EoY finance processes completed with 100% accuracy and 100% timeliness in accordance with HMRC requirements and/or first payroll date of new payroll year, measured annually and calculated as "(EoY financial processes completed in accordance with	Once per annum	KPI	• Where an SP has a gross (i.e. taxable) debt balance outstanding at the end of the FY it has to be converted into a nett (i.e. non-taxable) debt balance to be recovered through Payroll for the new FY - The NPD figure must reflect the GPD as at 31 Mar less the outstanding elements for tax and Employees National Insurance.. The outstanding elements of tax and employees ERNIC (i.e. the difference between gross and nett) need to be recovered from HMRC plus the	Schedule 4.1 Core Services - Military Personnel Services Section: 2.31 EoY – Actions [Serials A58-A62] Paragraph: 2.31.2

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		timeframes and/or first payroll date of the new payroll year, as follows: (a) all processes shall be carried out in accordance with HMRC Publications 480 and CWG5 (both re-issued annually) and as required by the Authority (DBS MilPers MilOps PPG&A); (b) accurate and auditable recalculation of all Gross Public Debts (GPD) to Nett Public Debts (NPD) shall be completed at the end of each FY for all personnel with a taxable debt before first payroll of new FY is actioned; (c) accurate Statutory outputs (e.g. P60 and P11D) shall be issued to SP/designated Third Party annually in accordance with HMRC directed timescales; (d) payroll balances shall be cleared/zeroised for all SPs in time for the first payroll following the start of the new payroll Year; and (e) details of the tax and National Insurance calculations re GPD to NPD shall be made available to the Authority (DBS MilPers MilOps RWO and/or DMS MilPers MilOps PPG&A Mgr) on request.	HMRC time requirements and/or first payroll date of the new payroll year / all EoY financial processes due for completion) * 100".			employers' ERNIC on the gross sum when the nett debt is fully recovered - with these recovered sums being credited to MOD accounts. Finally, any adjustments to gross basic pay must be reflected in adjustments to SCAPE (Superannuation Contributions Applied Payroll Elements). Note: The sums of tax and employees NI calculated in the Gross-to-Nett calculation must not be credited to the SP as these sums form a part of the gross debt owed to MOD. • The calculated tax and Employees NI sums must NOT be credited to the SP. These balances are to be held in JPA Control Accounts until recovered from HMRC after the nett debt is fully recovered. • P60s issued to all personnel (including Volunteer Reservists). • P11Ds issued to all personnel where a P11D liability exists in accordance with HMRC rules on taxation of benefits. This will include personnel with a P46(Car) in issue during the tax year. • Clearance/zeroising of payroll balances is not to be undertaken until the Contractor has confirmed that the Final FPS for the Tax Year has been received by HMRC and there is no possibility that this will subsequently require amendment.	
A60	EoY - Actions	60.1 Provide duplicate P60 within 10 Working Days of request from SP.	60.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	400 per month	RSPI		Schedule 4.1 Core Services - Military Personnel Services Section: 2.31 EoY – Actions [Serials A58-A62] Paragraph: 2.31.3
A61	EoY - Actions	61.1 Provide an accurate P11D report to the Authority (DBS MilPers MilOps PPG&A) and ensure that the correct rates are used in calculating the CEV		Once per annum		• Report to include all SPs where a P11D liability exists, including where the Authority advises the Contractor of such a liability outside of JPA, e.g. for Accommodation	Schedule 4.1 Core Services - Military Personnel Services Section: 2.31 EoY – Actions [Serials A58-A62]

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
		(Cash Equivalent iValue) based on the average annual balance outstanding to be carried out in accordance with HMRC Publications 480 and CWG5 (both re-issued annually).				and Car benefits. • A P11D liability will exist when the aggregate of debts, loans and advances agreed by the Authority (DBS MilPers MilOps PPG&A) as being in scope exceeds the Benefit Threshold set by HMRC in any one month.	Paragraph: 2.31.4
A62	EoY - Actions	62.1 Provide accurate 'PAYE Settlement Agreement' (PSA) reports showing all SPs who have received pay, allowances, expenses or accounts payable (AP) payments covered by a PSA for the Financial Year. To be carried out in accordance with HMRC direction and timeframes and as required by the Authority (DBS MilPers MilOps PPG&A).		Once per annum		• For each SP details of Gross Taxable Emoluments (GTE), tax and NI are required to support subsequent calculation. Where an individual has more than one occurrence of the same item these are to be aggregated and only the annualised total shown. Different items are NOT to be aggregated.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.31 EoY – Actions [Serials A58-A62] Paragraph: 2.31.5
A63	SoY - Actions	63.1 Upload all P9 entries received via XML from HMRC, in accordance with HMRC direction and timeframes and as required by the Authority (DBS MilPers MilOps PPG&A).		Daily/weekly/monthly Jan - Mar		• If a Budget (Finance Act) has been ratified by Parliament for the new Financial Year there may be P6(B)s to action.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.32 SoY – Actions [Serials A63-A66] Paragraph: 2.32.1
A64	SoY - Actions	64.1 Input all manual P9 entries received from HMRC in accordance with HMRC direction and timeframes and as required by the Authority (DBS MilPers MilOps PPG&A).		250 per annum		• The manual update of Tax Codes is required for all SPs managed by HMRC within the PD1 PD2 Security Flagged population. This cadre comprises SPs currently encompassed by the SF and Secure Payrolls - termed the "Protected Population".	Schedule 4.1 Core Services - Military Personnel Services Section: 2.32 SoY – Actions [Serials A63-A66] Paragraph: 2.32.1
A65	SoY - Actions	65.1 In accordance with HMRC direction and timeframes, action P9X tax code update for all SPs where an individual P9 has not been issued by HMRC.		Once per annum		• Part of the Start of Year (SOY) Process.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.32 SoY – Actions [Serials A63-A66] Paragraph: 2.32.2
A66	SoY - Actions	66.1 Accurately update the NI category of all SP records where a valid NI exemption certificate is held for the new Financial Year. To be carried out in accordance with HMRC direction and timeframes and as required by the Authority (DBS MilPers MilOps PPG&A). 66.2 All records which were exempted in the previous Financial Year, but for which a valid certificate is not held are to be amended to show a non-exempt NI category		50 per annum		• Since Apr 2016 the non-exempt NI Categories are as follows: • A - The Default Value for SPs aged over 21 years of age unless an Apprentice covered by Cat H. • B - For Married women or widows entitled to pay reduced NI contributions. • C - SP over State Pension age. Very unlikely to apply to any SP other than CFAV. • H - SP aged under 25 years of age in a Government recognised Apprentice Training Scheme. • M - The Default Value for SPs aged under 21 years of age. Note: Not to be used for SPs in a Government recognised Apprentice Training Scheme.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.32 SoY – Actions [Serials A63-A66] Paragraph: 2.32.3
A67	Maintain Fin Standing	67.1 Update all rates of pay, allowances, charges, expenses and foreign exchange in accordance with Appendix	67.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as	See Appendix 3	RSPI		Schedule 4.1 Core Services - Military Personnel Services Section: 2.33 Maintain Fin Standing &

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
	& Ref Data - Pay Rates including Fees & Allowances (see Appendix 3).	3 to this Annex. 67.2 Implementation by effective date and from effective date (unless otherwise agreed by the Authority(DBS MilPers MilOps AH)) 67.3 For Forces Fixed Rate (FFR) - Within 2 Working Days of receipt of revised rates	applicable.				Ref Data - Monthly Updates Standing Data System (SDS) and JPA Internal Tables [Serials A67-A71] Paragraph: 2.33.1
A68	Maintain Fin Standing & Ref Data - Monthly Updates SDS and JPA Internal Tables	68.1 Ensure the same standing data as DFMS SDS is used within JPA each month and that such standing data is refreshed monthly from the DGFM SDS files for the start of each month. 68.2 Internal accounting string values are accurately matched to the correct monthly SDS. 68.3 Historic audit trail of SDS changes maintained and linked to new values where appropriate.		Monthly		• This serial only applies to months May to Mar inclusive. Apr is implemented under the Resource Account Code Exercise (RACE) update within the broader annual EOY project.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.33 Maintain Fin Standing & Ref Data - Monthly Updates Standing Data System (SDS) and JPA Internal Tables [Serials A67-A71] Paragraph: 2.33.2
A69	Maintain Fin Standing & Ref Data - Monthly Updates SDS and JPA Internal Tables	69.1 Implement 'Annual Resource Account Code Exercise' (RACE) changes to Standing Data for AP01 of the new Financial Year and maintain an historic audit trail linked to new values where appropriate.		Annually at end of March		• The RACE reports annually in February/March - this is a much larger exercise than the normal monthly updates as RACs can change and the majority of organisational changes are targeted on 1 Apr. All internal tables, including the Payroll Element Cost Link Table (ECLT) and the Expenses User Defined Tables (UDT), AP and AR will need to be reviewed to ensure ongoing compliance with new SDS values.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.33 Maintain Fin Standing & Ref Data - Monthly Updates Standing Data System (SDS) and JPA Internal Tables [Serials A67-A71] Paragraph: 2.33.3
A70	Maintain Fin Standing & Ref Data - Monthly Updates SDS and JPA Internal Tables	70.1 Maintain the 'Element Cost Link Table' (ECLT) such that it accurately remains aligned with DFMS SDS Table values. 70.2 Ensure that the details for taxability, pensionability, accountability and the determination of applicability by assignment, payroll, employment category and people group are correct and aligned with sS accounting policies. 70.3 All amendments to the ECLT are to be approved by the Authority (DBS MilPers MilOps PPG&A) before being released onto the live system.		Monthly		• Amendments may be caused by changes in SDS or changes in single Service Accounting policy.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.33 Maintain Fin Standing & Ref Data - Monthly Updates Standing Data System (SDS) and JPA Internal Tables [Serials A67-A71] Paragraph: 2.33.4
A71	Maintain Fin Standing & Ref Data -	71.1 Maintain the 'User Defined Tables' (UDT) for 'iExpenses' such that they remain accurately aligned with 'DFMS SDS Table' values and sS accounting requirements		Monthly		• Amendments may be caused by changes in SDS or changes in single Service Accounting policy.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.33 Maintain Fin Standing & Ref Data - Monthly Updates Standing Data System (SDS) and JPA Internal

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
	Monthly Updates SDS and JPA Internal Tables	71.2 All amendments to the UDTs are to be approved by the Authority (DBS MilPers MilOps PPG&A) before being released onto the live system. 71.3 All entries are to be updated within the earlier of 5 Working Days of SDS being updated/published and the start of new accounting period (month) at the latest.					Tables [Serials A67-A71] Paragraph: 2.33.5

A72	Maintain Pers Data - HR	72.1 Create accurate individual pay accounts identical to source data for Service Personnel within 1 Working Day of notification from the recruiting authorities.
		72.2 Securely retain all source documents for a minimum of six financial years after the end of financial year in which they were created.
			72.1 Pay accounts created with 100% accuracy and 100% timeliness, measured monthly and calculated as "(number of individual pay accounts identical to source data for Service Personnel / total Individual pay accounts created) * 100".
			72.2 Source data for Service Personnel securely retained for at least 6 Financial Years 100% of the time, measured as required and calculated as "(source documents retained for a minimum of 6 financial years / total source documents created) * 100".
				900 per month	KPI	• Data input via an electronic interface from Recruiting Services. Personnel data also reliant on accurate input from Self-Service, Unit HR Admin and HR Professional users. Transfers within/between Services, Direct Entry Commissions and Re-hires, will require manual action using additional detail as supplied by Career Managers/HR Professional Users. Additional data is input by New-Entry Training Establishment Unit HR Admin and HR Professional users or by self-service.
						• New Entrants to the Volunteer Reserve Forces will be actioned by their Unit HR Admin Staff.
						• Bank Details will be input by either SP self-service or by New Entry Training Establishment Unit HR Admin.
						• The first FPS containing payment details for a newly joined SP must contain the following data:
						  • Address details including Post Code in the UK. Note: This detail is required on all subsequent FPS returns until a valid NINO is held.
						  • The Starting Date, i.e. the first day on pay.
						  • A Starting Declaration. Note: Guidance on which code should be used is found on HMRC Guidance Note - Notifying and Getting New Employee Information Right. This also provides, inter alia, guidance on using the correct tax code for new entrants and what to do with a late submitted P45.
						  • Correct setting of relevant indicators for RTI e.g. the Irregular Employment Payment Pattern Indicator
							Schedule 4.1 Core Services - Military Personnel Services
							Section: 2.34 Maintain Pers Data – HR [Serials A72-A78]
							Paragraph: 2.34.1 - 2.34.3

A73	Maintain Pers Data - HR	73.1 Maintain up-to-date and accurate pay accounts (including records of individual debts, advances and loans, for each Service Personnel) and accurately apply all authorised Changes to such pay accounts within 5 Working Days of receipt of the change notification. 73.2 Securely retain the following documents: (b) records of all payments and deductions of pay to/from SPs, for 6 Financial Years after the end of the Financial Year in which the transaction	73.1 Up-to-date pay accounts maintained to 100% accuracy, measured monthly and calculated as "(number of accurate and up-to-date pay accounts / total number of pay accounts) * 100". 73.2 All relevant documents and records securely retained for the specific time periods 100% of the time, measured as required and calculated as "(all relevant documents and records retained for a minimum of the specific time period / total relevant documents	205,000 per month		• Personnel data is reliant on accurate input from self-service, Unit HR Admin and HR Professional users. • Transfers within/between Services, Direct Entry Commissions and Rehires, will require manual action using additional detail as supplied by Career Managers/HR Professional Users. • Student Loan liabilities will be communicated by HMRC. • Where pay is recalled as a result of an SPs absence, ensure this is correctly processed. Note: When an SP goes absent (and therefore is recorded as Long Term Absent) the payroll will calculate a debt in the following month's pay run. If the SPs pay was previously recalled the debt will be incorrect as the SP received no pay. The	Schedule 4.1 Core Services - Military Personnel Services Section: 2.34 Maintain Pers Data – HR [Serials A72-A78] Paragraph: 2.34.4 - 2.34.5

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
		actioned; and (c) all documents and records relating to debts, advances, and loans or repayments for a minimum of 6 Financial Years after the end of the Financial Year in which the debt, advance or loan was repaid.	and records) * 100".			recall is to be captured by the Contractor Debt Management team who are to recalculate, correct the payroll record, establish the true pay due to/from the SP and create the correct accounting information. • All actions here will be reflected in the RTI record created for every SP for every reportable payment of earnings. Note: Issues arising with the RTI records requiring subsequent amendment and re-work will be avoided if the greatest attention to accuracy is applied. • Requirement covers all Pay, Allowances and Charges administered within the Payroll System. It also includes all payments made after Discharge, noting that different tax and NI rules apply. • Records of all debts must reflect any adjustment of gross-to-nett at end of first FY of establishment of any taxable debt.	
A74	Maintain Pers Data - HR	74.1 Ensure applications for Family Maintenance Grants (FMG) for Salary Based Pay are created, maintained and processed. 74.2 For all valid applications, pay the initial FMG to spouse's bank account within 5 Working Days of completion of validation checks and on a weekly basis thereafter. 74.3 Any application deemed invalid to be passed to the Authority (DBS MilPers MilOps Current Ops) within 2 Working Days of error/omission being found. 74.4 All FMG records to be retained for 6 years after last payment is made.		6 per month		• Record maintenance currently achieved via a spreadsheet. • JPA F021 – FMG Assessment and Authorisation initiated and authorised by Unit HR Admin. Unit HR Admin are required to contact DBS MilPers to advise of the change of circumstances if during the 8 week period the Serviceman returns from AWOL or is released from MCTC. • After the period of payment the claimant may be covered by State benefits should their entitlement still exist. Inform DBS MilPers MilOps RWO of all payments of FMG so that recovery process can be commenced. • Records to be identical in every particular to what was originally stored. Non-Paper records to be stored, as a minimum, in accordance with the Code of Practice for Information Security Management (BS 7799) and the Code of Practice for the Legal Admissibility of Information Stored on Electronic Document Management Systems (PD0008) .	Schedule 4.1 Core Services - Military Personnel Services Section: 2.34 Maintain Pers Data – HR [Serials A72-A78] Paragraph: 2.34.6
A75	Maintain Pers Data - HR	75.1 Rectify implications of late or incorrect notification of change of rank and colliding life. 75.2 Every Working Day identify all instances where corrective action is required for all events where the effective date is less than 6 years prior to the current date. 75.3 Complete all corrective action within 10 Working Days of identification. 75.4 Provide a report to the Authority (DBS MilPers MilOps Current Ops) of units whose actions have required corrective				• This is termed the "Retro" Process. • Where the Contractor is unsure as to the corrective action required they should seek guidance from the Authority (DBS MilPers MilOps)	Schedule 4.1 Core Services - Military Personnel Services Section: 2.34 Maintain Pers Data – HR [Serials A72-A78] Paragraph: 2.34.7

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		action within 10 Working Days of the end of every month.					
A76	Maintain Pers Data - HR	76.1 Rectify implications of late or incorrect notification of change of rank and colliding Life Events where the effective date is greater than 6 years prior to the current date. 76.2 Provide the Authority (DBS MilPers MilOps Current Ops) with justification and audit trail for each proposed change within 20 Working Days of receipt. 76.3 Rectify all cases within 5 Working Days of receipt of agreement to proceed from the Authority (DBS MilPers MilOps Current Ops).	76.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	100 per month	RSPI		Schedule 4.1 Core Services – Military Personnel Services Section: 2.34 Maintain Pers Data – HR [Serials A72-A78] Paragraph: 2.34.8
A77	Maintain Pers Data - HR	77.1 Ensure payment of Disability Allowance for Attendance Based Pay in accordance with JSP 754 Chap 4. Validate and approve claims in accordance with the stated Regulation within 10 Working Days of receipt of all necessary documentation. 77.2 Incomplete or erroneous claims to be returned to Unit HR Admin within 2 Working Days of discovery of error/omission. 77.3 Advise units of lack of appropriate medical certificate within 1 Working Day of discovery. 77.4 Despatch completed Form APO 51 where total disability is claimed or advise Unit HR Admin where partial disability is claimed within 1 Working Day of acceptance. 77.5 Despatch rejection letter, if appropriate, within 2 Working Days of decision. 77.6 For on-going claims, update the requestor of progress every 10 Working Days from date of receipt of initial claim.		230 on-going payments per month			Schedule 4.1 Core Services - Military Personnel Services Section: 2.34 Maintain Pers Data – HR [Serials A72-A78] Paragraph: 2.34.9
A78	Maintain Pers Data - HR	78.1 By the published date process manual claims to enable payment for 'Continuity of Education Allowance' (CEA). Publish timescale to the Authority for applications for each of the spring, summer and winter terms.		Average 150 per month but see Comment		• Timescales currently communicated through JPA Operations Bulletins. • Initial Assessment/validation should be completed by Unit HR Admin staff. • The Contractor will only process CEA claims approved by Unit HR Admin and with eligibility certificate approved by the CEA Validation Cell based with the PACC in	Schedule 4.1 Core Services - Military Personnel Services Section: 2.34 Maintain Pers Data – HR [Serials A72-A78] Paragraph: 2.34.10

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						Glasgow.	
A79	iExpenses - Administration, Payment, Accounting and Audit	79.1 Ensure the 'iExpenses' functionality is available to all SPs on a self-service basis.				• The actual volume in any month will not exceed 10% of potential total of 195,000 SPs with JPA self-service access to iExpenses.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.1
A80	iExpenses - Administration, Payment, Accounting and Audit	80.1 Provide Unit HR Admin staff and designated Contractor staff (who have the appropriated 'iExpense' role or responsibility) with the facility for manual input of iExpenses claims other than by the claimant SP.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.1
A81	iExpenses - Administration, Payment, Accounting and Audit	81.1 Support the workflow of iExpense claims to designated Authorisers/Approvers - delaying processing until such authorisation and/or approval is given.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.2
A82	iExpenses - Administration, Payment, Accounting and Audit	82.1 Process approved manual iExpenses claims received from Unit HR Admin staff on spreadsheets or individual JPA Approved Forms in accordance with JPA BPG Expense Auditing. 82.2 Return forms F016 or F016a not authorised by the Unit Expenses Authoriser or that do not contain the Unit Auditors details within 2 Working Days of receipt. 82.3 Transfer valid data onto JPA within 2 Working Days of receipt. 82.4 Within 2 Working Days of receipt of claim select every 20th manual expenses claim and request despatching Unit HR Admin to confirm accuracy of calculation and entitlement.	82.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	1350 per month	RSPI		Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.3
A83	iExpenses - Administration, Payment, Accounting and Audit	83.1 Calculate sum to be paid to individual SP based on the details input subject to any required approval and/or authorisation and in accordance with the stated regulations within 1 Working Days of input or approval/authorisation, whichever is the later.	83.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.		RSPI	• Calculations conducted within JPA system in accordance with current technical specifications. • Calculation run as a part of the daily system batch process. • All calculations will be in GBP (£Sterling) however payment may be in an designated currency.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.4

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						• Typically JPA will make 38,000 calculations per month.	
A84	iExpenses - Administration, Payment, Accounting and Audit	84.1 Where an 'iExpense' item is taxable, the gross aggregate amount paid for that item within a single claim is to be 'reported' to the payroll process for calculation of the appropriate tax and ERNIC (both Employers and Employees).				• Tax and ERNIC to be charged as a part of the next Payroll calculation. • Currently only applies to SP arranged for 'Overnight Subsistence'.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.5
A85	iExpenses - Administration, Payment, Accounting and Audit	85.1 Process advances of travelling expenses input by Unit HR Admin 85.2 Payment equating to the calculated amount must be made to the correct SP's nominated bank account within 3 Working Days of claim being approved. 85.3 Any payments not made to the correct bank account or not made within 3 Working Days of approval either due to lateness or to data validation issues or system fix requirements is to be rectified within 2 Working Days or notification of failure to pay whichever is the later. 85.4 Advances not cleared by the 31st calendar day after completion of the duty for which the advance was authorised are to be deducted direct from the SPs pay account in accordance with stated regulation and statutory legislation.	85.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	1200 per month	RSPI	• Service personnel in possession of a Government Procurement Card (GPC), and specifically authorised to use it for personal subsistence, should use that to pay bills, rather than seek an advance of subsistence expenses. GPC cards can be used for the payment of Day Subsistence (DS) and Night Subsistence (NS) bills, but not for the payment of Individual Expense (IE) bills (in accordance with JSP 332 (Low Value Purchases).	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.6
A86	iExpenses - Administration, Payment, Accounting and Audit	86.1 Make iExpense payments through BACS to the correct SP-designated bank account in the appropriate currency within 3 Working Days of the claim being approved. 86.2 Rectify any payment not made within 3 Working Days of approval or not made to the correct bank account within 2 Working Days of discovery or notification of failure to pay whichever is the earlier.	86.1 iExpense payments are made with at least 99.9% accuracy and 99.9% timeliness, measured monthly and calculated as "(number of iExpense payments paid through BACS to the correct SP-designated bank account in the appropriate currency within 3 Working Days of the claim being approved / Total Number of iExpense payments due to be actioned) *100". 86.2 Payments not made within 3 Working Days of approval or not made to the correct bank account are rectified with 100% accuracy and 100% timeliness, measured monthly and calculated as "(number of payments not made within 3		KPI	• Payment may be made to non-UK bank account(s) designated by the SP. • Typically, 38,000 payments per month.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.7

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			Working Days or not made to the correct bank account rectified within 2 Working Days of discovery or notification of failure to pay whichever is the earlier / total number of payments not made within 3 Working Days of approval or not made to the correct bank account) *100".				
A87	iExpenses - Administration, Payment, Accounting and Audit	87.1 Ensure all paid iExpense claims are subject to full JPA costing and accounting processes. All accounting transactions to be reported to DFMS monthly through Feeder 15.		38,000 per month		• All accounting transactions to conform to the single Service UDTs costing requirements.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.8
A88	iExpenses - Administration, Payment, Accounting and Audit	88.1 Create and maintain up-to-date and accurate iExpense records for all SPs. Records of all payments to SPs to be retained accurately for 6 Financial Years beyond the year in which transaction actioned. 88.2 Input any authorised change accurately within 5 Working Days of receipt	88.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	38,000 per month	RSPI	• Personnel data reliant on input from self-service, Unit HR Admin and HR professionals. • The iExpense access is to cease immediately upon termination of service of an individual SP. However, the account is to be retained for audit purposes.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.9
A89	iExpenses - Administration, Payment, Accounting and Audit	89.1 Maintain accurate and identical records of manual iExpense claims. Records to include date of receipt and identification marker/serial number on day of approval. Record date of any updated for audit purposes. 89.2 Update record with date of audit complete within 2 Working Days of receipt of notification.		1300 per month		• Currently achieved via a spreadsheet (the audit control database). • The unit auditor is responsible for notifying JPAC that the audit has been completed. • Non-Paper records to be stored, as a minimum, in accordance with the Code of Practice for Information Security Management (BS 7799) and the Code of Practice for the Legal Admissibility of Information Stored on Electronic Document Management Systems (PD0008).	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.9
A90	iExpenses - Administration, Payment, Accounting and Audit	90.1 Select every 20th 'iExpense' claim paid to be audited by the authorising Unit. Select within 2 Working Days of receipt of claim every 20th manual expenses claim and request despatching Unit HR Admin to confirm accuracy of calculation and entitlement. 90.2 Unless confirmation recorded on JPA, hasten Unit HR Admin for confirmation that a claim has been audited 25 Working Days after initial selection. 90.3 Unless confirmation recorded on JPA, action 2nd hastener to Unit HR Admin				• This is a significant requirement for on-going audit of iExpenses across all three Services.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.35 iExpenses - Administration, Payment, Accounting and Audit [Serials A79-A90] Paragraph: 2.35.10

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		after 10 Working Days if unit has not responded to initial hastener.					
A91	Accounts Receivable - Managing Receipts, Banking and Accounting	91.1 Record at the time/point of receipt all monies received and allocate to the appropriate Control Account. 91.2 Within 3 Working Days of receipt, transfer receipts to the appropriate 'Control Account' and the 'Control Account' operator notified.	1.1 Within 3 Working Days of receipt	2100 per month		• Receipts will be either physical (typically cheques but can be cash or even Postal Orders) or electronic (Direct Debits or Standing Orders). • The record should include all relevant details from the cheque and the reason for payment. • Any receipt with insufficient information to identify the Name and/or Service Number of the originator and the reason for making the direct payment to DBS MilPers should be banked and the Authority (DBS MilPers MilOps PPG&A and DBS MilPers MilOps RWO) notified. • Minimal use should be made of the "Unallocated Credits" Control Account, i.e. where there is uncertainty over the correct debtor Control Account to be used. In these cases the Contractor's Control Account manager/supervisor is to be informed at the time the posting is made. • Double entry book-keeping must be used in every case.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.36 Accounts Receivable - Managing Receipts, Banking and Accounting [Serials A91-A93] Paragraph: 2.36.1
A92	Accounts Receivable - Managing Receipts, Banking and Accounting	92.1 Alert the Authority within 5 Working Days (DBS MilPers MilOps PPG&A and DBS MilPers MilOps RWO) of the non-receipt of a 'Continuous Receipt Item'.		30 per month			Schedule 4.1 Core Services - Military Personnel Services Section: 2.36 Accounts Receivable - Managing Receipts, Banking and Accounting [Serials A91-A93] Paragraph: 2.36.2
A93	Accounts Receivable - Managing Receipts, Banking and Accounting	93.1 Within 3 Working Days of receipt, bank all physical receipts (cheques and/or cash)		Once per day			Schedule 4.1 Core Services - Military Personnel Services Section: 2.36 Accounts Receivable - Managing Receipts, Banking and Accounting [Serials A91-A93] Paragraph: 2.36.3
A94	3rd Party Payments - Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment	94.1 Action requests to commence, amend, or stop a payment to a third party (in accordance with the timescale contained in Appendix 2 (Third Party Payment) for the next available payroll after receipt of the 'Start Request', 'Amend Request' and/or 'Stop Request'.		Starts 240 per month Amends 130 per month Stops 100 per month		• A 'Start Request' must be received by the 5th working day of a month to be effective for that month. Requests received after this point will not become effective until the following month. This may be varied in 'short' months when Payroll is run early, e.g. Dec or when a Major Release is programmed. • Amendments are limited to variations in the sum, SP or periodicity of the payment. • A Stop Request must be received by the 5th Working Day of a month to be effective for that month. Requests received after this point will not become effective until the following month. This may be varied in 'short' months when Payroll is run early, e.g. Dec or when a	Schedule 4.1 Core Services - Military Personnel Services Section: 2.37 3rd Party Payments – Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment [Serials A94-A97] Paragraph: 2.37.1

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						major Release is programmed. • All third party payments in issue will automatically stop when an SP is discharged or terminated.	
A95	3rd Party Payments - Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment	95.1 Provide basic salary information and SP current location details to Child Maintenance and Enforcement Commission (Child Support Agency) (CMEC (CSA)) within 10 Working Days of receipt of the request.	95.1 Basic salary information and SP current location details provided to the CMEC (CSA) with 100% accuracy and 100% timeliness, measured monthly and calculated as "(number of correct basic salary information and SP current location details provided to CMEC (CSA) within 10 Working Days of request / total number of requests for basic salary information and SP current location details) * 100".	90 per month	KPI	• The MOU covering this output requirement contains an Annex specifying which pay, allowance and expense elements are to be included in the calculation of salary for this serial.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.37 3rd Party Payments – Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment [Serials A94-A97] Paragraph: 2.37.2
A96	3rd Party Payments - Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment	96.1 Validate and action all third party payments requests in-force (deducted from salary post calculation of Tax and ERNIC) and conduct management checks on third party payments balances within payroll.				• Payments are made to around 40 organisations, aggregating more than 300,000 individual collections from payroll. • 2000 records are currently subjected to management checks per month. • To ensure the payover is correct, complete and valid, it will be necessary to check individual SP entries that total the payover.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.37 3rd Party Payments – Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment [Serials A94-A97] Paragraph: 2.37.3
A97	3rd Party Payments - Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment	97.1 Enable and pay-over statutory and other third party payments in accordance with Appendix 2 (Third Party Payment), including rectification of all rejected payments, providing an explanation to each third party for any third party attributable errors and rejections. 97.2 All rectifications to be undertaken within 20 Working Days of the requirement to rectify being known. 97.3 Produce report of all rejected payments including explanation for rejection to allow third party to rectify non-occurrence by no later than following pay month. 97.4 All Deductions paid to the correct third party on the dates directed by the HMRC or agreed with such third parties. 97.5 All pay-overs to HMRC be supported by a monthly summary schedule report	97.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.		RSPI	• Third Party payments includes other agencies, HMRC, HM Court Services, charity payroll administration, dependants funds, sports lotteries allotments and Credit Unions (currently Plane Saver CU Ltd, London Mutual CU Ltd and Police Credit Union). Pay-overs are to be undertaken in accordance with the operational process documentation and are fully reconciled and transmitted together with the supporting extract file. Rejected inputs to be investigated and contained within the extract file and to include a reason for failure occurrence. • It is an Authority (DBS MilPers MilOps PPG&A) responsibility to advise Contractor of the agreed dates and to advise the Contractor what is required for payments not supported via Payroll, e.g. for PSAs and P11Ds • It is an Authority (DBS MilPers MilOps CPMT) responsibility to maintain this list and to inform the Contractor of any amendments/additions/deletions in a timely manner. • The requirement is to reconcile against payroll deduction. If the deduction value has been input incorrectly this does not affect this requirement. Under	Schedule 4.1 Core Services - Military Personnel Services Section: 2.37 3rd Party Payments – Administer and Maintain 3rd Party Payment Requests, Payroll Deduction and Payment [Serials A94-A97] Paragraph: 2.37.4

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		by 19th day of the month. 97.6 All other pay-overs to be supported by a schedule listing individual Service Personnel and the sums paid on their behalf. Sums paid on behalf of Service Personnel to be validated and fully reconciled against sums deducted via payroll.				no circumstances shall the sum paid over to the Third Party exceed the sum deducted via payroll for the individual listed on the schedule.	
A98	3rd Party Payments - Childcare Vouchers	98.1 Administer, enable and pay-over 'Child Care' Voucher' (CCV) payments including rectification of all rejected payments. 98.2 For all rejoiners (or requests for amendments by existing claimants) complete a formal review of salary and CCV 'Benefit Earnings Assessment' (BEA) calculation before payment instructions are passed to the CCV provider. 98.3 All rejoiners for 'Salary Sacrifice' for CCVs to be actioned to conform with the 'Operational Processing Timetable'. Sums paid on behalf of Service personnel to be validated and fully reconciled against sums deducted via payroll. 98.4 For claimants who joined post 31 March 2011, complete an annual BEA review of salary to ensure the amount of CCV claimed is within the allowed HMRC threshold in April annually. 98.5 All documentation relating to 'Salary Sacrifice' and CCVs to be retained for minimum 6 Financial Years from the Financial Year of a document's creation. 98.6 All pay-overs to be supported by a schedule listing individual Service personnel and the sums paid on their behalf. 98.7 All rectifications to be undertaken within 20 Working Days of receipt or notification.	98.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	10000 claimants each month	RSPI	• The Authority (DBS MilPers MilOps CPMT) is the conduit for all contact with the CCV Provider (currently Sodexo under a separate contract). • For re-joiners a BEA check is to be conducted to ensure the amount of CCVs claimed does not breach the HMRC threshold based on the Higher Rate Tax band. Additionally, for all SPs who joined the scheme post 31 Mar 2011 an annual BEA check to be conducted each Apr to ensure next year salary compared to the Higher Rate banding is commensurate with the amount of CCVs being claimed. • The Armed Forces Childcare Voucher Scheme will close to new applicants on 5 Oct 2018 in line with the UK Government policy on childcare provision. Re-joiners have to apply within 12 months of their last salary sacrifice payment for FY 18/19 to retain entitlement. SPs leaving the scheme at any time to join Tax-Free Childcare (TFC) forfeit all entitlement to Salary Sacrifice at a later point. It remains entirely the responsibility of the claimant to ensure that their application is submitted to Sodexo in good time to meet this deadline. As a statutory change, DBS has no discretionary powers to re-instate delayed or late applications. Applications received by the CCV Provider after 30 Sep 18 will not be actioned. • Under no circumstances shall the sum paid over to the CCV Provider exceed the sum deducted via payroll for the individual listed on the schedule except where an ex gratia payment is specifically authorised by the Authority (DBS MilPers MilOps CPMT).	Schedule 4.1 Core Services - Military Personnel Services Section: 2.38 3rd Party Payments - Childcare Vouchers [Serial A98]
A99	Audit - NAO/DIA and DBS MilPers Internal	99.1 Meet all requests for information to support the National Audit Office (NAO) and Defence Internal Audit (DIA) audits of Military payroll and expenses systems and/or processes within the Contractor's control fully and within 10 Working Days of request.	.			• The Authority (DBS MilPers MilOps PPG&A or PCMT) will inform the Contractor of all relevant content contained in any NAO or DIA Reports on Military Payroll and Expenses Systems/Processes within a reasonable timescale; requesting comment when appropriate. • The requirement includes all Control Accounts and	Schedule 4.1 Core Services - Military Personnel Services Section: 2.39 Audit - NAO/DIA and DBS MilPers Internal [Serials A99-A100] Paragraph: 2.39.1

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						supporting data/process information	
A100	Audit - NAO/DIA and DBS MilPers Internal	100.1 Meet all requests for information to support the Authority (DBS MilPers MilOps PPG&A) rolling audit of Military Payroll and Expenses Systems/ Processes within the Contractor's control fully and within 10 Working Days of request.				• The Authority (DBS MilPers MilOps PPG&A) will inform the Contractor of any concerns with respect to the Military Payroll and Expenses end-to-end Systems/Processes within a reasonable timescale; requesting comment when appropriate. • Covers all Control Accounts and supporting data/process information and all relevant administrative processes documentation.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.39 Audit - NAO/DIA and DBS MilPers Internal [Serials A99-A100] Paragraph: 2.39.2
A101	Termination of service	101.1 Calculate, authorise and pay into the correct SPs Bank Account and on the last Working Day of the Month the correct final nett salary based pay. The Contractor is to take all reasonable steps to ensure that all items (debits and credits) outstanding at the date final nett pay is calculated are included in all relevant calculations. This shall include any outstanding items contained in Contractor and Authority administer Control Accounts. 101.2 Any payments, including inaccurate payments, not made to the correct SP Bank Account on the last working day of the month to be rectified	101.1 99.9% payment timeliness on last Working Day of month. 99.99% accuracy on payment to SPs correct account; All SP nett pay accounts to be 98% accurate 101.2 1005 rectification within 10 Working Days or notification of failure to pay whichever is the later	2100 per month		• This includes pay and allowances, charges and deductions (including overpayments) and supports an Agency Key Target. It includes payments made under AFOMS (SMP/SAP/SPP/ShPP) and post discharge credits. Errors must be corrected and accurately reflected in DFMS. Accounting data includes transfer entries. Processes and control points are to be agreed with the Authority.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.40 Terminations [Serials A101-A105] Paragraph: 2.40.1
A102	Termination of service	102.1 Pay and account for authorised Terminal Grants and Gratuities to the correct SP-designated bank account within the following timescales: (a) for all SPs (except those covered by AFPS 15), within 10 Working Days of the date of termination or on receipt of all relevant documentation, whichever is the later; and (a) for all SPs covered by AFPS 15, within 20 Working Days of the SPs 'Career Average Re-valued Earnings Pot' (CARE Pot) finalisation in the month of termination or on receipt of all documentation, whichever is the later. 102.2 Any payments, including inaccurate payments, not made to the correct bank account are to be rectified within 5 Working Days of discovery or direction by the	102.1 Payments of Terminal Grants and Gratuities to be made to (a) all SPs (except those covered by AFPS 15) with 98% accuracy and 100% timeliness and (b) to SPs covered by AFPS 15 with 98% accuracy, 100%. timeliness, measured monthly and calculated as "(number of authorised Terminal Grants and Gratuities accounted for and paid to the correct SP-designated bank account within the specified timescales / total number of authorised Terminal Grants and Gratuities due to be accounted for and paid) * 100". 102.2 Inaccurate payments or payments not made to the correct bank account are rectified with 100% accuracy, measured monthly and calculated as "(inaccurate payments or payments not made to the correct bank account rectified / all inaccurate payments or payments not made to the correct bank	1000 per month	KPI	• The Lump Sum Payments are for Terminal Grants to Regulars. • Short Service Commission Gratuities are paid to the limited cadre of officers who serve on non-pension earning commissions (contracts).	Schedule 4.1 Core Services - Military Personnel Services Section: 2.40 Terminations [Serials A101-A105] Paragraph: 2.40.2

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		Authority.	account) * 100".				
A103	Termination of service	103.1 Where Termination is the result of death in service, inform Joint Casualty and Compassionate Cell (JCCC) of final pay and debts on the Pay Account of the SP within 30 Working Days.				• JCCC must be informed of Final Pay settlement plus details of any outstanding debts shown on the pay account of the deceased to ensure the deceased's estate is correctly administered. • The calculation of nett pay must include a credit equal to the value of leave accrued but not taken at the date of termination or a debt where more leave has been taken than has accrued.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.40 Terminations [Serials A101-A105] Paragraph: 2.40.3
A104	Termination of service	104.1 Ensure in-service loans, advances and debts are recovered from 'Final Pay' and any applicable 'Terminal Benefits'. Where a full recovery cannot be achieved the residual sum is to be transferred to the Authority Post-Service Debts Team for recovery action outside of JPA Payroll within 20 Working Days of production of the 'Debt Management Report'.		Fully Recovered 7 per month Not Fully Recovered 8 per month		• Requirement includes all loans, debts and advances, for example LSAP, FHTB, Rental Deposits, Overpayments of Pay or Allowances, iExpense Advances and EPICs. • In-Service debts are typically recorded and recovered through the Payroll processes - and such debts are managed through Control Accounts linked to these processes. A Post-Service Debt cannot be managed in this way because there is no 'live' payroll account once an individual has been discharged. Therefore, any debt at discharge which cannot be cleared by deductions from 'Final Pay' or 'Terminal Benefits' payable immediately must be transferred to the Post-Service debt regime - which requires the debt to be moved from Payroll into Accounts Receivable and simultaneously moved into the Post-Service Debt Control Account. Therefore movement of data within JPA is required, mirrored by movement (on DFMS) between the relevant Control Accounts.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.40 Terminations [Serials A101-A105] Paragraph: 2.40.4
A105	Termination of service	105.1 Issue a P45 to every SP who is terminated from Service within 5 Working Days of the Final Payment date.		2100 per month		• P45 Part 2 & 3 to be despatched to the SP. However in the case of a death in service the P45 Part 2 and 3 is to be forwarded to the JCCC. • When a P45 is issued to an SP the Final Date on Pay must be reported to HMRC via RTI.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.40 Terminations [Serials A101-A105] Paragraph: 2.40.5
A106	Debt Management & Recovery - In-Service Debt	106.1 Create and maintain up-to-date auditable and accurate debt records for individuals' debts being recovered through JPA within 5 Working Days of the Contractor being informed of the debt and/or any repayment. 106.2 Records of all debts owed by SPs to the MOD/Authority and repayments made against these debts to be retained for 6 Financial Years beyond the Financial Year in which transaction was actioned.	106.1 Debt records for individuals' debts being recovered through JPA are created and kept up-to-date with 100% accuracy and 100% timeliness, measured monthly and calculated as "(number of auditable and accurate debt records for individuals' debts being recovered through JPA being created and kept up-to-date within 5 Working Days of the Contractor being informed of the debt and/or any repayment / total number of debt records for individuals' debt being recovered through JPA that	1250 new debts per month Av 5500 cases per annum	KPI	• Personnel data is reliant on accurate input from self-service, Unit HR Admin staff and HR Professional users. Note: Contractor staff may also input data directly to JPA. • A "debt" is defined as any JPA entry categorised as either a 'Gross Public Debt' (GPD), 'Nett Public Debt' (NPD) or 'Crown Debt'. All such debts should be included in the monthly 'Debt Report'. Gross Debts can be recovered through Payroll only in the Financial Year in which the debt has accrued: All Prior Year debts must be recovered nett from the SP with the tax and NI being subsequently recovered from HMRC.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.1

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			the Contractor has been informed of) * 100". 106.2 Records of all debts owed by SPs to the MOD/Authority and repayments made against these debts retained for 6 at least 6 Financial Years beyond the Financial Year in which the transaction was actioned 100% of the time, measured as required and calculated as "(number of records of debts owed by SPs to the MOD/Authority and repayments made against these debts retained for a minimum of 6 Financial Years beyond the Financial Year in which the transaction was actioned / total number of records of debts owed by SPs to the MOD/Authority and repayments made against these debts created) * 100".				
A107	Debt Management & Recovery - In-Service Debt	107.1 Ensure Tax and National Insurance (both employee and employer) are recovered from HMRC when an NPD is fully recovered and correctly accounted for in MOD accounts. 107.2 Recovered amounts of tax and National Insurance (both employee and employer) are accounted for within 20 Working Days of the recovery from HMRC being received in MOD/JPA bank account.	107.1 100% recovery from HMRC is achieved within 40 Working Days of the NPD being fully recovered.			• Tax and NI (both Employees and Employers) only recovered when an NPD represents a debt that has arisen from a taxable payment but where recovery of tax and NI cannot be achieved through PAYE because the debt relates to a prior Tax Year. • Sums recovered to be credited to the same accounting string(s) as applied to the original debt/overpayment. • Special care is to be exercised with recoveries of Employers' National Insurance to ensure correct posting of the credit. The Authority (DBS MilPers MilOps PPG&A) will provide guidance as required.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.2
A108	Debt Management & Recovery - In-Service Debt	108.1 Manage recovery of non-disputed debt(s) when existing debt is suspended.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.3
A109	Debt Management & Recovery - In-Service Debt	109.1 Correctly administer Return of Service (ROS) debt and ensure debt has been cleared 3 months prior to termination or some later date as approved by the Authority (DBS MilPers MilOps RWO). All ROS debts entered in full into JPA within 5 Working Days of the Authority		15 per annum		• Details of ROS are contained in the early termination workflow notification. • 'Financial Retention Incentive', 'Committal Bonus' and 'Golden Hello' debts are calculated by the Contractor and verified by the Authority (DBS MilPers MilOps RWO). Debts relating to a Training ROS are calculated	Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.4

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		(DBS MilPers MilOps RWO) requesting recovery.				by the relevant Career Manager.	
A110	Debt Management & Recovery - In-Service Debt	110.1 Provide Management Information on debts to the Authority (DBS MilPers MilOps RWO). Details of amounts of post-service debts less than £100 to be entered on Accounts Receivable and passed to the Authority for write-off within 20 Working Days. 110.2 Accurate Debt Management Report to be provided in Microsoft Excel format within 10 Working Days of the end of each month being reported.		Monthly		• Currently achieved through the manual correlation of data from various reports. • Where an SP has more than one debt which, when aggregated, exceed £100, the aggregated debt shall be processed for recovery. • The Debt Management Report shall identify trends covering all pay, allowance and expenses, LSAP/FHTB, Rental advances, pensions and financial assistance debts and include details of both all debts owed by SPs and all overpayments of pay, allowances and expenses, pensions and financial assistance. The Contractor shall additionally provide sufficient supporting detail to explain the origin, plus any subsequent action, for each debt/overpayment.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.5
A111	Debt Management & Recovery - In-Service Debt	111.1 Process formal written objections against recovery of any element of payroll and expenses. 111.2 Return incomplete documentation to the SP within 3 Working Days of receipt. 111.3 Suspend recovery of over issue pending outcome of objection against recovery within 3 Working Days of receipt of objection. 111.4 Implement all Authority (DBS MilPers MilOps RWO) decisions on objections against recovery within 2 Working Days of receipt of decision.	Correctly completed documentation passed to Authority (DBS MilPers MilOps RWO) within 3 Working Days of receipt .	250 per month		• This requirement applies to all Pay, Allowances & Expenses, Bursaries, Pensions and other financial payments and advances.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.6
A112	Debt Management & Recovery - In-Service Debt	112.1 Recover any relevant 'Gratuity', 'Resettlement Grant', and 'Special Capital Payments' from individuals re-entering the Armed Forces. 112.2 Establish monthly recovery within 10 Working Days of receiving documentation.		10 per month		• Notification of re-entry will be provided by the Authority (Pensions Team). • Recovery rate governed by MOD regulations, but will require manual intervention for re-entrant with no previous JPA record.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.41 Debt Management & Recovery - In-Service Debt [Serials A106-A112] Paragraph: 2.41.7
A113	Debt Management & Recovery - Debts Not Recoverable Through JPA Payroll	113.1 Create and maintain a register of all debtors for all debts that will not be recovered through JPA Payroll. 113.2 Entries to be created within 20 Working Days of production of the 'Debt Management Report'. 113.3 All Records with financial implications to be retained for a minimum of 6 Financial Years after the end of the Financial Year in which the debt was repaid or written-off.		350 per month		• Typical debts that cannot be recovered through JPA Payroll will include (but not be limited to) Debts relating to SP Discharged (often termed "Post Service Debts" or "Debts after Discharge") classed as Crown Debts, debts applied to Volunteer Reservists on Attendance Based Pay, debts where an SP requests making repayment outside of JPA Payroll, Debts arising from Pension Overpayments to an ex-SP, widow/widower or dependant(s) through AFPS or WPS, debts arising thorough AFCS overpayments, Bursary debts, debts arising from failure to pay the charge for Pension Sharing on Divorce (PSoD) statement or any other	Schedule 4.1 Core Services - Military Personnel Services Section: 2.42 Debt Management & Recovery – Debts Not Recoverable Through JPA Payroll [Serials A113-A114] Paragraph: 2.42.1

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						financial payments and advances. • All debts shown on the Debt Management Report are to be validated for accuracy prior to their inclusion in the Debtor Register. • Debts arising outside of JPA Payroll/Expenses e.g. Pensions Debts, must be validated and recorded in the Debt Register. • The Debt Register is to be maintained separately from the Accounts Receivable Control Account.	
A114	Debt Management & Recovery - Debts Not Recoverable Through JPA Payroll	114.1 Recover all valid debts listed in the 'Debtor Register' and provide hard copy documentation to the Authority (DBS MilPers MilOps RWO) when legal action is commenced. 114.2 All debts over £50 to be entered in the 'Debtor Register' and a first formal letter despatched within 20 Working Days of the production of the 'Debt Management Report or notification of a non-JPA debt. 114.3 If no response to first letter, despatch second formal letter 20 Working Days after despatch of first letter. 114.4 Debts less than £50 to be entered on both the 'Debtor Register' and 'Accounts Receivable', and passed to the Authority within 20 Working Days of production of the 'Debt Management Report' or notification of a non-JPA debt. 114.5 Accurately complete all accounting action within 20 Working Days of receipt of a repayment. 114.6 Electronic version of all documentation retained for a minimum of 6 Financial Years from the Financial Year of its creation.	114.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	320 per month	RSPI	• The letter despatched to the debtor must detail the cause(s) of debt(s), a breakdown of the debt into its component elements/amounts, the timeframe over which the debt(s) arose and repayment options/methods available. • Copies of all letters to be maintained in electronic media. • The second formal letter to the individual to be sent by recorded delivery. • Where an individual has more than one debt which, when aggregated, exceed £50, the aggregated debt shall be processed for recovery. • Where a Gross (Taxable) debt is reported the nett sum is to be recovered from the debtor. The tax and associated National Insurance (both Employees and Employers) is to be recovered from HMRC when the nett sum has been repaid by the debtor. • The Authority (DBS MilPers MilOps RWO) will monitor the Debtor Register for non-payers.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.42 Debt Management & Recovery – Debts Not Recoverable Through JPA Payroll [Serials A113-A114] Paragraph: 2.42.2 - 2.42.3
A115	Debt Management & Recovery - Debts Not Recoverable Through JPA Payroll	115.1 Recover LSAP and FHTB in accordance with JSP 752 Chapter 2 Section 4 and JSP 464 Vol 1 Pt 1 Ch 12. 115.2 Issue a letter to any individual who will not clear their outstanding LSAP/FHTB balance at normal recovery rates within 10 Working Days of the point when they have 12 months left until their date of termination asking them to make adequate arrangement to ensure their LSAP/FHTB balance is cleared by final salary and/or terminal benefits.	115.1 Letter issued to correct individual with 100% timeliness, measured monthly and calculated as "(number of letters issued to any individual who will not clear their outstanding LSAP/FHTB balance at normal recovery rates within 10 Working Days of the point when they have 12 months left until their date of termination / total number of letters due to be issued) * 100".	40 per month	KPI	• In-Service recovery management achieved automatically through JPA. • Full or part repayment of the outstanding balance is allowed at any time by a sterling cheque, Debit or Credit Card transaction, or banker's draft. • LSAP/FHTB debts are not deemed to have priority status in bankruptcy cases. • It is the responsibility of the SP to provide details of any changes to eligibility or any event which may affect normal recovery rules.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.43 Debt Management & Recovery - LSAP/FHTB Recoveries & Waivers [Serials A115-A118] Paragraph: 2.43.1

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		115.3 When notification of a bankruptcy is received, update the LSAP/FHTB database and refer the matter to the Authority (DBS MilPers MilOps RWO) for a decision. 115.4 Implement Authority (DBS MilPers MilOps RWO) decisions within 5 Working Days of receipt of the decision.	115.2 LSAP/FHTB database updated and notification referred to the Authority (DBS MilPers MilOps RWO) within 5 Working Days of being notified that the SP has become bankrupt 100% of the time, measured monthly and calculated as "(number of updates to the LSAP/FHTB database and referrals to the Authority (DBS MilPers MilOps RWO) within 5 Working Days of being notified that the SP has become bankrupt / total number notifications that an SP has been declared bankrupt received) * 100". 115.4 Implement Authority (DBS MilPers MilOps RWO) decisions within 5 Working Days of notification of that decision 100% of the time, measured monthly and calculated as "(number of Authority (DBS MilPers MilOps RWO) decisions implemented within 5 Working Days of receipt of that decision / total number of Authority (DBS MilPers MilOps RWO) decisions received) * 100".				
A116	Debt Management & Recovery - Debts Not Recoverable Through JPA Payroll	116.1 Pass requests for waiver of the recovery of any outstanding balance of a LSAP/FHTB to the Authority (DBS MilPers MilOps RWO) within 10 Working Days of receipt of request and action any subsequent reasonable Authority (DBS MilPers MilOps RWO) decisions within 5 Working Days of receipt .		10 per month			Schedule 4.1 Core Services - Military Personnel Services Section: 2.43 Debt Management & Recovery - LSAP/FHTB Recoveries & Waivers [Serials A115-A118] Paragraph: 2.43.2
A117	Debt Management & Recovery - Debts Not Recoverable	117.1 Convert any outstanding LSAP/FHTB balance to a 'Crown Debt' within 10 Working Days of receipt of instruction from the Authority. 117.2 Add Variable Rate interest charge as authorised by the Authority (DBS MilPers MilOps RWO) to outstanding		15 per month		• The letter is to explain the reason for the conversion to Crown Debt, the make up of the outstanding debt balance (including any additional interest) and a request for repayment.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.43 Debt Management & Recovery - LSAP/FHTB Recoveries & Waivers [Serials A115-A118] Paragraph: 2.43.3

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	Through JPA Payroll	balance within 10 Working Days of conversion to 'Crown Debt'. 117.3 Issue letter informing SP that LSAP/FHTB outstanding balance has been converted to a 'Crown Debt' within 10 Working Days of conversion to 'Crown Debt'.					
A118	Debt Management & Recovery - Debts Not Recoverable Through JPA Payroll	118.1 Administer LSAP/FHTB appeals against either conversion to a 'Crown Debt' or non-waiver of outstanding balance recovery on 'Medical Discharge'. 118.2 Forward all correspondence associated with the case to the Authority (DBS MilPers MI lops RWO) within 5 Working Days of receiving the appeal. 118.3 Action the Authority (DBS MilPers MilOps RWO) decision within 5 Working Days of receipt.		5 per month		• All appeals will be reviewed by DBS MilPers MilOps RWO.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.43 Debt Management & Recovery - LSAP/FHTB Recoveries & Waivers [Serials A115-A118] Paragraph: 2.43.4
A119	Debt Management & Recovery - Recovery via Debit or Credit Card	119.1 Recover public or Crown debts from an individual's Debit Account or Credit Card Account within 1 Working Day of being agreed with the individual debtor.	119.1 Debts recovered from an individual's Debit Account or Credit Card Account within 1 Working Day of being agreed with the individual 100% of the time, measured monthly and calculated as "(number of public or Crown debts recovered from an individual's Debit Account or Credit Card Account within 1 Working Day of being agreed with the individual debtor / total number of public or Crown debts agreed with the individual to be recovered from the individual's Debit Account or Credit Card Account) * 100".	1000 pa	KPI	• Debts can include (but are not limited to) payroll (including all pay and allowance elements) and expenses debts, LSAP/FHTB debts, AFPS debts, AFCS debts, War Pension Scheme debts, Widows Pensions Scheme debts, Bursary debts, PSoD debts and any miscellaneous advances made from JPA, AFPS or AFCS. • Where the Debit/Credit card being used to service the debt is owned by a third party the Authority (DBS MilPers MilOps RWO) will request confirmation that the third party is prepared to accept the debt before the transaction is actioned.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.44 Debt Management & Recovery – Recovery via Debit or Credit Card [Serials A119-A122] Paragraph: 2.44.1
A120	Debt Management & Recovery - Recovery via Debit or Credit Card	120.1 Debt to be recovered from an individual's credit card account by means of direct debit action for any public or 'Crown Debt' agreed by the individual debtor within 1 Working Day of notification of payment by the individual.	120.1 100% compliance with the SR in relation to compliance, timeliness and/or accuracy as applicable.	1000 pa	RSPI	• Debts can include (but are not limited to) payroll (including all pay and allowance elements) and expenses debts, LSAP/FHTB debts, AFPS debts, AFCS debts, War Pension Scheme debts, Widows Pensions Scheme debts, Bursary debts, PSoD debts and any miscellaneous advances made from JPA, AFPS or AFCS. • Debtors must be able to contact DBS MilPers through either telephony, internet or postal communications media. • Repayment may be full (100% of outstanding debt including any interest) or partial (i.e. a part of the full debt and any interest arising). • Transaction fees will apply to each repayment	Schedule 4.1 Core Services - Military Personnel Services Section: 2.44 Debt Management & Recovery – Recovery via Debit or Credit Card [Serials A119-A122] Paragraph: 2.44.2

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						transaction. • Where the Credit card being used to service the debt is owned by a third party the Authority (DBS MilPers MilOps RWO C1) will request confirmation that the third party is prepared to accept the debt before the transaction is actioned.	
A121	Debt Management & Recovery - Recovery via Debit or Credit Card	121.1 Correctly account for the debt repayment and any associated interest fees. 121.2 The debtor balance held in JPA, pensions, AFCS, or other MoD accounts must be accurately amended to include the debt repayment within 1 Working Day of the recovery being actioned. 121.3 Interest arising on the debt up to the point of repayment must be accurately accounted for within 1 Working Day of the recovery being actioned. 121.4 MoD accounts must accurately reflect the repayment transactions and any interest charged at the end of the accounting month in which the repayment transaction is actioned.		2000 pa		• The Authority (DBS MilPers MilOps RWO) will provide the accounting string to be applied to each transaction type.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.44 Debt Management & Recovery – Recovery via Debit or Credit Card [Serials A119-A122] Paragraph: 2.44.3
A122	Debt Management & Recovery - Recovery via Debit or Credit Card	122.1 Retain records of all transactions and agreements for a minimum of 6 years after the full recovery of the debt and any accrued interest.		14000 records		• Retention to include records of all relevant telephony conversations. 14000 records as the steady state total after 6 years	Schedule 4.1 Core Services - Military Personnel Services Section: 2.44 Debt Management & Recovery – Recovery via Debit or Credit Card [Serials A119-A122] Paragraph: 2.44.4
A122a	Debt Management & Recovery - Recovery via Debit or Credit Card	122a.1 Maintain a fully Payment Card Industry 'Data Security Standard' (PCI DSS) accredited system and processes for the management of payments to the Authority. 122a.2 Ensure an annual validation of compliance to PCI DSS is undertaken by either an external qualified 'Security Assessor' or a 'PCI Security Standards Company' accredited internal 'Security Assessor'. A formal Report of Compliance is to be provided to the Authority (DBS MilPers MilOps PPG&A and DBS MilPers MilOps RWO) on completion. 122a.3 Ensure an annual 'Self-Assessment				• The relevant regulation is PCI DSS v3.2.1 dated May 2018 (as updated)	Schedule 4.1 Core Services - Military Personnel Services Section: 2.44 Debt Management & Recovery – Recovery via Debit or Credit Card [Serials A119-A122] Paragraph: 2.44.5

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		Questionnaire' (as provided by the Authority) is completed and provided to the Authority (DBS MilPers MilOps PPG&A and DBS MilPers MilOps RWO).					
A123	Accounts Payable	123.1 Ensure all manual payments conform to the requirements of the originating officer before actioning payment. Where the payment is taxable, ensure that the payment is actioned through payroll and subsequently reported to HMRC via RTI.					Schedule 4.1 Core Services - Military Personnel Services Section: 2.45 Accounts Payable [Serials A123-A125] Paragraph: 2.45.1
A124	Accounts Payable	124.1 Correctly account for all approved manual payments to the appropriate cost head within the 'MOD Chart of Accounts'.		600 per month		• Where the payment is to be held in suspense on a Control Account, the AP staff making the payment must inform the relevant 'Control Account Operator' and/or the 'Control Account Manager'. • If an incorrect accounting string is used the Contractor will be responsible for any corrective action required.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.45 Accounts Payable [Serials A123-A125] Paragraph: 2.45.2
A125	Accounts Payable	125.1 Pay approved LSAP/FHTB applications to the designated solicitor managing the property purchase in accordance with JSP 752 chapter 2 Section 4 and JSP 464 Vol 1 Pt 1 Ch 12. 125.2 Ensure that all necessary details are recorded in the individual's payroll record, in the general ledger, in any separate database, and in all relevant 'Control Accounts'. 125.3 Refer all cases to the Authority (DBS MilPers MilOps RWO) where a Service Personnel refuses to provide a signed 'Promissory Note' letter within 5 Working Days of the refusal.		3750 per annum		• It is the responsibility of the SP to provide a signed Promissory Note letter. • The payment is only to be made to the approved solicitor acting for the SP - never to the SP. Relevant anti-fraud procedures are to be adopted to ensure the payment is only made to the correct account for the designated solicitor.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.45 Accounts Payable [Serials A123-A125] Paragraph: 2.45.3
A126	Mobilisation	126.1 Ensure that the payroll record for the assignment of every mobilised Reservist ('Volunteer' Reservist, 'Statutory' Reservist or 'Recalled' Reservist) has the correct NI category.		600 per annum Volume		• For Volunteer Reservists the NI Cat from the pre-Mobilisation assignment should be used. For Statutory Reservists and Recalled Reservists the default NI Cat is A unless they are under 21 years of age in which case it's Cat M. If they provide a valid/current NI exemption certificate then the Category shown should be used. If the Adjudication Officers select a different Category than detailed above the Authority (DBS MilPers MilOps PPG&A) should be informed. • There is a parallel HR action to ensure that the Mobilised (Called-Out) Reservist is placed on the correct Contract Type. • Volumes for all Mobilisation Requirements are dependent upon Operational tempo	Schedule 4.1 Core Services - Military Personnel Services Section: 2.46 Mobilisation [Serials A126-A131] Paragraph: 2.46.1
A127	Mobilisation	127.1 Ensure that the payroll record for the assignment of every mobilised		600 per annum		• Almost invariably the Mobilised (or "Called Out") SP will not present with a valid P45 - therefore a Starter	Schedule 4.1 Core Services - Military Personnel Services

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
		Reservist ('Volunteer' Reservist, 'Statutory' Reservist or 'Recalled' Reservist) is accurately amended to reflect the correct Tax Code and Basis and any current Financial Year earnings/tax paid in a different assignment are treated as "Previous Employment". 127.2 Issue a monthly report to HMRC detailing all Reservists mobilised in the preceding month.				Declaration should be completed to ensure HMRC recognise that MOD is now the main/prime employer. The requirement for a separate report reinforces the need for HMRC to issue a correct Tax Code for the remainder of the Tax Year to all SPs Mobilised/Called-Out that reflects their amended forecast annual earnings. • There is a parallel HR action to ensure that the Mobilised (Called-Out) Reservist is placed on the correct Contract Type. • The first RTI report after mobilisation must reflect that MOD is now the primary employer and the employment is on a full-time basis. • Any Volunteer Reservists' earnings in the current FY must be regarded as "Previous Employment" when calculating tax going forward. • The term "Reservist" is defined in JSP 753 Pt 1. It includes Recalled Reservists, High Readiness Reserves and Sponsored Reserves.	Section: 2.46 Mobilisation [Serials A126-A131] Paragraph: 2.46.2
A128	Mobilisation	128.1 Ensure all third party payments are started at the next payroll date when a mobilised Reservist opts to make personal payments to the Pension Scheme of his normal main employer.		500 per annum			Schedule 4.1 Core Services - Military Personnel Services Section: 2.46 Mobilisation [Serials A126-A131] Paragraph: 2.46.3
A129	Mobilisation	129.1 Action all 'Special Payments' to authorised Reservists on a SP's payroll record within 5 Working Days of such payment being authorised. 'Special Payment' being a payment authorised by designated sS officers to support the monthly MOD salary of a 'Mobilised' Reservist in order to bring their earnings up to the level of their normal main employment.		300 per (TBC)			Schedule 4.1 Core Services - Military Personnel Services Section: 2.46 Mobilisation [Serials A126-A131] Paragraph: 2.46.4
A130	Mobilisation	130.1 When MOD is making a payment to an 'Employer's Pension Scheme' under the terms of 'Mobilised Reservist Pension Contribution' (MRPC) scheme, the payment details are to be included and shown (as applicable) on all appropriate accounting records as a monthly payment until the subject SP is de-mobilised.	1.1 MRPC payments correctly recorded in the correct accounting period for every month an MRPC payment is made by the Authority.	300 per month		• The term "all appropriate accounting records" refers to the need to record the sum to be paid monthly in any relevant Control Account(s), paid direct to the Employer's Pension Fund and charged to TLBs as directed by the Authority (DBS MilPers MilOps PPG&A). Additionally, as each monthly payment is made, full financial records of the payment and the associated accounting transactions are to be recorded. Together these will form a full audit trail should the need for audit subsequently arise. • MOD will only make a payment when the Mobilised Reservist has opted to make all personal third party payments to the Employer's Pension Fund - therefore, MRPC may not be paid to the Employer in every instance.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.46 Mobilisation [Serials A126-A131] Paragraph: 2.46.5

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
A131	Mobilisation	131.1 Administer and pay approved claims for financial assistance to the civilian employer of each member of the Reserve Forces who is mobilised as follows: (a) forward all Applications for financial assistance to appropriate 'Service Adjudication Officer' within 2 Working Days of receipt; and (b) pay all employers and correctly account within 10 Working Days of receipt of notification from 'Service Adjudication Officer'.		200 per annum		• 'Service Adjudication Officers' alone are responsible for determining the level of payments in accordance with JSP 753.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.46 Mobilisation [Serials A126-A131] Paragraph: 2.46.6
A132	De-Mobilisation	132.1 Ensure that the payroll record of every de-mobilised SP ('Called-Out' Reservist) who has an assignment as a 'Volunteer' Reservist has been amended to reflect the correct NI category.		100 per annum Volume		• All de-Mobilised SPs must have their NI Cat set to A or M (dependent upon age) unless a valid exemption certificate is held for a different NI Cat. • Volumes for all De-Mobilisation Requirements are dependent upon Operational tempo	Schedule 4.1 Core Services - Military Personnel Services Section: 2.47 De-Mobilisation [Serials A132-A136] Paragraph: 2.47.1
A133	De-Mobilisation	133.1 Ensure that the payroll record of every de-mobilised SP ('Called-Out' Reservist) has been amended to reflect the correct tax code and basis. 133.2 Where the de-Mobilised SP was a 'Statutory' Reservist or 'Recalled' Reservist who will not revert to a 'Volunteer' Reserve contract a P45 is to be issued. 133.3 Issue a monthly report to HMRC detailing all Reservists de-mobilised in the preceding month.		100 per annum		• The end of Mobilised service will be reported to HMRC via RTI. The reversion to Volunteer Reservist status means the SP should be placed on the appropriate 'Emergency Tax Code' until a correct code is issued by HMRC and actioned on JPA as a standard Payroll action. • A separate report informing HMRC of all SPs de-Mobilised is required in addition to RTI reported changes to ensure HMRC fully understands the change of status of the SP back to Volunteer Reserve or Statutory/Regular Reserve from Called-Out Reservist).	Schedule 4.1 Core Services - Military Personnel Services Section: 2.47 De-Mobilisation [Serials A132-A136] Paragraph: 2.47.2
A134	De-Mobilisation	134.1 Ensure all payroll actions started as a result of mobilisation are stopped when the individual is de-mobilised within 5 Working Days of the de-mobilisation date, but is not limited to, third party payments, contributions to an 'Employer's Pension Scheme' and 'Reservist Special Payments'.		200 per annum		• Final day for which payment is due is the de-Mobilisation date. • Any overpayment is to be recovered from the SP in accordance with normal debt recovery procedures, which includes debts that cannot be recovered through Payroll.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.47 De-Mobilisation [Serials A132-A136] Paragraph: 2.47.3
A135	De-Mobilisation	135.1 When MOD is making a payment to an 'Employer's Pension Scheme' under the terms of the MRPC scheme, cease making this payment within 2 Working Days of the date of de-mobilisation.	1.1	20 per month		• Final day for which payment is due is the de-Mobilisation date. • Any overpayment is to be recovered from the Employer in accordance with normal debt recovery procedures.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.47 De-Mobilisation [Serials A132-A136] Paragraph: 2.47.4
A136	De-Mobilisati	136.1 Stop any monthly employer financial assistance payments in issue with Effect from the de-mobilisation date		50 per annum		• Any over-payment is to be recovered from the employer.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.47 De-Mobilisation [Serials

ID	SERVICE AREA	PRIMARY SERVICE REQUIREMENT	TARGET PERFORMANCE LEVEL	VOLUME	KPI/SPI	ADDITIONAL INFORMATION	TRACEABILITY – LOCATION IN SCHEDULE 4.1 (CONTRACTOR SOLUTION) –e.g. clause, para reference
	on	within 2 Working Days.					A132-A136] Paragraph: 2.47.5
A137	Taxable Benefits - P46(Car)	137.1 In accordance with HMRC regulations and DBS 'Local Instructions', administer private-use of MOD vehicles as a taxable benefit in accordance with P46(Car) regulations. 137.2 Such vehicles are to be added to the list/repository within 5 Working Days of receipt of P46(Car). 137.3 Any pay adjustment, in accordance with the offset of tax charge rule agreed by the Authority (DBS MilPers MilOps PPG&A), to be actioned every month from the date the impact is calculated. 137.4 P46(Car) to be submitted to HMRC a minimum of once per month when vehicle details are added, amended, or removed.		40 per annum		• The monthly cost to the individual SP arising from the P46(Car), grossed-up for tax and NI at the marginal rate for the SP, are only to be credited to the SP through payroll. Payment must not be actioned outside of payroll. • The end of year position is to be reported to HMRC as a part of the P11D process.	Schedule 4.1 Core Services - Military Personnel Services Section: 2.48 Taxable Benefits - P46 (Car) [Serial A137]