



KEY INFORMATION DOCUMENT COMMUNICATION PACK

This document is intended to help you fulfil your obligations under regulation 13A of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (the 'Conduct Regulations').

As the employment business (recruitment agency), it is your responsibility to ensure the Key Information Document is issued in accordance with the regulation. Clipper Contracting Group have aimed to provide you with all information you would require but if there are further details we can assist with, do not hesitate to contact us.

What is the Key Information Document (KID)?

As of the 6th April 2020, all agency workers will be required to receive a key information document (KID) when they sign up with a new employment business (recruitment agency). This written statement will outline key pay related information and is intended to provide more transparency to the agency worker.

Some key points to remember:

- The recruitment business is responsible for issuing the KID
- It must not exceed a two-page A4 document
- It must include representative examples of all deductions to a worker's pay (real numbers must be used but these don't have to represent the worker's specific assignment)
- A different type of KID must be issued depending on the type of engagement (the KID for an umbrella company would look different to that of a limited company engagement)
- A revised KID must be issued each time the facts reflected in the document change; for instance, if a worker changes umbrella company, a new KID will need to be issued
- If multiple engagement methods may be available when the worker registers with the recruitment business, it may be good practice to have a key facts page covering all payment methods, with the specific KID issued once a final choice has been made
- The regulation does not apply to agency workers with existing terms.

What should you be doing?

You will need to begin thinking about how you will implement this regulation within your business. Whilst Clipper Contracting Group can assist, it is the responsibility of the employment business to ensure this is adhered to correctly.

If you haven't already, you will have to gather information from your umbrella company supply chain on how each engagement solution is calculated and what the margins are. You will also need to understand the various deductions if you pay workers PAYE yourselves.

We would also recommend speaking to your various suppliers early. Does your payroll or recruitment software have a provision to administer the KIDs for you? Will you need some additional programming work completed?

Key points for your Key Information Document

Each recruitment business will be delivering their requirements for this regulation in different ways. Here we outline the solutions Clipper Contracting Group offer along with the specific information you may need for each, in order to build your own KID process.

	<i>Clipper PAYE</i>	<i>Clipper Total</i>	<i>Clipper CIS</i>
Weekly margin	£12.85	£24.95	£22.50
Contract type	Employment Contract	Employment Contract	Contract for Services
Employment status	Employed	Employed	Self-employed

Additionally, the following statements may be useful:

Name of intermediary or umbrella company	<i>Clipper Contracting Group Ltd</i>
Who will employ the worker (PAYE only)	<i>Clipper Contracting Group Ltd</i>
Who will pay the worker	<i>Clipper Contracting Group Ltd</i>
Business connection between employment business and umbrella company	<i>None</i>
Minimum rate of pay	<i>In line with National Living Wage (£8.72) and National Minimum Wage (£8.20 for 21-24)</i>
Pay Intervals	<i>Weekly</i>
Leave entitlement	<i>20 days and 8 days bank holidays (unless AWR confirms otherwise)</i>
Any other benefits	<i>None</i>

[What is Clipper Contracting Group doing](#)

This document is intended to assist you in administering this regulation within your business. It should provide most of the information you would need to request from an umbrella company. Additionally, we have taken additional steps to go one step further:

- Installing a KID system through our registration CRM – this is intended to provide a back-up to recruitment agencies (we will typically only receive the details of a worker when they have started on assignment, rather than when they register with the employment business. This KID will also issue to the recruiter.
- Provide breakdowns and pay examples to use within your KIDs – please ask us if you require a specific example.

Using our KID calculator

Our KID calculator is designed to help you create a representative example statement for each of Clipper Contracting Group engagement solutions. How this will be implemented will differ between each recruitment agency. Remember though that you do not need to reflect the actual contract rate for that specific assignment; you can demonstrate a realistic way in which deductions are made so you may choose to have a static example for each of your KIDs.

Please ensure you fully understand how to complete these calculators – any errors in input may result in an incorrect representative example output. Call your dedicated contact at Clipper Contracting Group for further guidance if required.

Appendix 1: Clipper PAYE Template

KEY INFORMATION DOCUMENT – CLIPPER PAYE

The Key Information Document provides transparency around how you are paid by the employment business (recruitment agency) you are planning on engaging with. It will give you more immediate access to key pay related information before agreeing terms with the employment business and a clear idea of how any fees and deductions will affect your pay.

CLIPPER PAYE

Clipper Contracting Group employ freelance workers that complete several different assignments at numerous locations. Despite this, continuous employment is maintained as are statutory employment rights. As the employer, Clipper Contracting Group will recover the employment costs (see below) from the contract sum received from the employment business (recruitment agency). What is left is the worker's taxable pay.

GENERAL INFORMATION

Your name:	Worker name (<i>optional inclusion</i>)
Name of employment business:	Recruitment agency name
Name of umbrella company:	Clipper Contracting Group Ltd
Name of your employer:	Clipper Contracting Group Ltd
Who will be responsible for paying you:	Clipper Contracting Group Ltd
Type of contract you will be engaged on:	Employment contract
How often will the umbrella company pay you:	Weekly

PAY RELATED INFORMATION

Minimum contract rate paid to Clipper Contracting Group from the recruitment agency	£12.15 (<i>or choose to insert to correct contract rate for this assignment</i>)
Employer deductions from income received by Clipper Contracting Group from the recruitment agency (employer statutory deductions)	Employer's National Insurance (including that due on the holiday pay element) Holiday Pay Employer pension contributions Apprenticeship Levy
Other employer deductions from income received by Clipper Contracting Group from the recruitment agency (non-statutory employer deductions)	Clipper Contracting Group company margin (£12.85 – <i>insert as appropriate</i>)

Minimum rate paid to employee	Clipper Contracting Group will pay at least the legal National Living Wage or National Minimum Wage depending on the employee's age bracket.
Employee deductions (statutory deductions)	Tax National Insurance Employee pension contribution
Employee deductions (non-statutory deductions)	Nil
Any other benefits offered to the employee	Nil
Leave entitlement	20 days and 8 days bank holidays (unless AWR confirms otherwise)
Opt-out of regulation 32 of the conduct regulations	No

REPRESENTATIVE EXAMPLE STATEMENT

	Hours	Rate	Total		Hours	Rate	Total
Basic Pay	40.00	25.00	1,000.00	NMW	40	9.5	380.00
Overtime	-	-	-	Additional Pay			403.01
Overtime	-	-	-	Holiday Pay			-
Total:	40.00		1,000.00	Expenses			-
Costs				Tax			108.26
Company Margin			12.85	NI			78.57
Fixed Expenses			-	Pension			-
Other Expenses			-	Student Loan			-
Employers NI			91.51	Other Deductions			-
Employers Pension			-	Net Pay			596.18
Holiday Accrual			108.72				
Apprenticeship Levy			3.92				
Total			216.99				

The Employment Agency Standards (EAS) Inspectorate is responsible for the enforcement of this new regulation. You can raise a concern with them directly on 020 7215 5000 or eas@beis.gov.uk.

Appendix 2: Clipper Total Template

KEY INFORMATION DOCUMENT – CLIPPER TOTAL

The Key Information Document provides transparency around how you are paid by the employment business (recruitment agency) you are planning on engaging with. It will give you more immediate access to key pay related information before agreeing terms with the employment business and a clear idea of how any fees and deductions will affect your pay.

CLIPPER TOTAL

Clipper Contracting Group employ freelance workers that complete several different assignments at numerous locations. Despite this, continuous employment is maintained as are statutory employment rights. As the employer, Clipper Contracting Group will recover the employment costs (see below) from the contract sum received from the employment business (recruitment agency). What is left is the worker's taxable pay.

GENERAL INFORMATION

Your name:	Worker name (<i>optional inclusion</i>)
Name of employment business:	Recruitment agency name
Name of umbrella company:	Clipper Contracting Group Ltd
Name of your employer:	Clipper Contracting Group Ltd
Who will be responsible for paying you:	Clipper Contracting Group Ltd
Type of contract you will be engaged on:	Employment contract
How often will the umbrella company pay you:	Weekly

PAY RELATED INFORMATION

Minimum contract rate paid to Clipper Contracting Group from the recruitment agency	£14.40 (<i>or choose to insert to correct contract rate for this assignment</i>)
Employer deductions from income received by Clipper Contracting Group from the recruitment agency (employer statutory deductions)	Employer's National Insurance (including that due on the holiday pay element) Holiday Pay Employer pension contributions Apprenticeship Levy Expenses (under specific conditions, these are deducted here before taxable pay is calculated, and paid later as part of the worker's predetermined salary package)

Other employer deductions from income received by Clipper Contracting Group from the recruitment agency (non-statutory employer deductions)	Clipper Contracting Group company margin (£24.95 – <i>insert as appropriate</i>)
Minimum rate paid to employee	Clipper Contracting Group will pay at least the legal National Living Wage or National Minimum Wage depending on the employee’s age bracket.
Employee deductions (statutory deductions)	Tax National Insurance Employee pension contribution
Employee deductions (non-statutory deductions)	Nil
Any other benefits offered to the employee	Expenses are paid to the worker as part of a pre-determined salary package agreed prior to the assignment start, in agreement with Clipper Contracting Group. These must be submitted in line with Clipper Contracting Group’s expenses policy.
Leave entitlement	20 days and 8 days bank holidays (unless AWR confirms otherwise)
Opt-out of regulation 32 of the conduct regulations	No

REPRESENTATIVE EXAMPLE STATEMENT

	Hours	Rate	Total
Basic Pay	40.00	25.00	1,000.00
Overtime	-	-	-
Overtime	-	-	-
Total:	40.00		1,000.00

	Hours	Rate	Total
NMW	40	9.5	380.00
Additional Pay			329.61
Holiday Pay			-
Expenses			95.00
Tax			93.58
NI			68.85
Pension			-
Student Loan			-
Other Deductions			-
Net Pay			642.19

Costs	
Company Margin	12.85
Fixed Expenses	50.00
Other Expenses	45.00
Employers NI	80.46
Employers Pension	-
Holiday Accrual	98.53
Apprenticeship Levy	3.55
Total	290.39

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Appendix 3: Clipper CIS Template

KEY INFORMATION DOCUMENT – CLIPPER CIS

The Key Information Document provides transparency around how you are paid by the employment business (recruitment agency) you are planning on engaging with. It will give you more immediate access to key pay related information before agreeing terms with the employment business and a clear idea of how any fees and deductions will affect your pay.

GENERAL INFORMATION

Your name:	Worker name <i>(optional inclusion)</i>
Name of employment business:	Recruitment agency name
Name of umbrella company:	Clipper Contracting Group Ltd
Who will be responsible for paying you:	Clipper Contracting Group Ltd
Type of contract you will be engaged on:	Contract for Services
How often will the umbrella company pay you:	Weekly

PAY RELATED INFORMATION

Minimum contract rate paid to Clipper Contracting Group from the recruitment agency	£13 <i>(your minimum contract rate for self-employed or choose to insert to correct contract rate for this assignment)</i>
Deductions from income received by Clipper Contracting Group from the recruitment agency	Clipper Contracting Group company margin <i>(£22.50 – insert as appropriate)</i>
Worker deductions	CIS Tax at appropriate rate based on UTR verification
Opt-out of regulation 32 of the conduct regulations	Yes – subject to recruitment agency issuance

REPRESENTATIVE EXAMPLE STATEMENT

	Hours	Rate	Total	
Hours	40	£ 25.00	£	25.00
Overtime	0	£ -	£	-
Overtime	0	£ -	£	-
			£	1,000.00
Margin			£	22.50
CIS Tax			£	195.50
Net Pay			£	782.00