

**November 2011**

## **HUMAN RESOURCES**

# **Greenwich Council Employee Personal Computer Incentive Scheme (EPCIS)**

[www.greenwich.gov.uk](http://www.greenwich.gov.uk)



*Promoting equality and quality of life for all*

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## **1. Introduction**

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- 1.1 The Council, in conjunction with Asset Finance & Management Ltd [AFM], have implemented an Employee Personal Computer Incentive Scheme (ECPIS). This is a staff training subscription scheme to support the development of employee information technology skills which are essential for modern working.
- 1.2 It is important to note that the training subscription agreement is similar to a hire or loan agreement and at no time is the employee the actual legal owner of either the software or the equipment (otherwise benefit in kind tax liabilities arise). Near the end of the subscription period, employees will be written to explaining what options are available should they wish to carry on using the software and equipment. Section 8 provides information on transfer of ownership, if this is something an employee would like to consider.
- 1.3 The training is provided by using an e-learning package provided to employees and the training is supported by the provision of a laptop or I-pad for the employee's use.
- 1.4 The training programmes and computer equipment are leased to the Council via AFM who are the legal owners. The Council then sub-lets to employees who apply. The Council pays lease payments monthly to AFM and deducts money from employee gross salaries in order to reconcile the difference.
- 1.5 EPCIS is a salary sacrifice scheme that enables tax and national insurance savings for employees participating and the Council.
- 1.6 The training is aimed at employees wanting to improve basic IT skills but it is a requirement of salary sacrifice schemes that the scheme should be made available to all employees.

## **2. Eligibility to join the scheme**

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- 2.1 The scheme is open to all except teachers (due to teacher employment terms and conditions allowing only 'certain' salary sacrifice schemes). The ability to make regular repayments is required and those on short-term contracts will need to make up any short fall from net salary so may not find the financial benefit attractive. The scheme duration is 2 years and employees should have a contract for this period and not be notified that their post is at risk in a re-organisation.
- 2.2 To be eligible for the tax benefits resulting from a salary sacrifice agreement, employees need to be 18 years of age or over.
- 2.3 The scheme cannot be applied to any employee where deductions would take their salary below the national minimum wage.

- 2.4 Agency workers are not employees of the Council and are not eligible for inclusion. Likewise contract workers and consultants who are not paid a salary through payroll are not eligible for inclusion.
- 2.5 Employees should review their financial situation to ensure that monthly net deductions through salary sacrifice are an acceptable reduction in take-home pay and can be maintained for the duration of the agreement.
- 2.6 During approved unpaid leave, such as extended maternity leave, the subscription period may be extended by the number of months in which salary was not paid. The employee will continue to have deductions made or any debt accrued will be recovered when they return to work or start receiving a payment.
- 2.7 The Council will validate information given on applications against Council records to ensure that only eligible employees are allowed. An **EPCIS Employee Form** needs to be completed by employees before being accepted on the scheme, in addition to the EPCIS Training Subscription Agreement.

### **3. Application Process**

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- 3.1 The Council will promote the scheme each year such as inclusion of a leaflet in payslips or normal mail and on the Council intranet site.
- 3.2 There will be a choice of training and computers available. Employees should select the package that best suits training and computer needs.
- 3.3 Employees wishing to make an application are required to sign a training subscription agreement normally via the EPCIS website at [www.epcis.co.uk](http://www.epcis.co.uk). The training subscription agreement is a legal document requiring agreement to take part in the training. Name, address, employee number and contact details are required along with employee selection for training option. It is important this is accurate for checking eligibility and for the delivery of the training equipment. This agreement must be signed and will be returned to HR for validation and counter signing.
- 3.4 If an application is rejected, the reasons for this would be explained to the employee in writing. The Council reserves the right to refuse any application.
- 3.5 Where English is not the first language or there may be another reason for having difficulty with understanding the scheme, such as a disability, it is important that the employee seeks independent advice before making an application. Once an application is submitted, it will not be possible to reverse any payments and the subscription becomes legally binding.

- 3.6 Before signing the agreement, employees must carefully read the agreement terms and conditions. Employees need to be aware that this is a similar to a hire agreement and therefore care needs to be taken with all training equipment, laptop or I-pad.
- 3.7 Where an employee has knowledge that they are not eligible or future changes will impact on their ability to maintain payments, applications should not be made. Disciplinary action may follow where the Council receives applications that clearly should not have been made or where or an element of fraud or payment avoidance is identified after an application is made.
- 3.8 The training subscription agreement is a contract variation to salary. On signing this, the employee accepts responsibility to reimburse the Council the full amount for scheme payments.
- 3.9 Once the application process is closed, EPCIS will inform the Council of those employees that have made an application and signed agreements. The Council will validate these applications. The Council will then sign a lease with AFM and notify employees if they can participate. Training and equipment is then delivered to home addresses as identified on subscription agreements.
- 3.10 Employees can track on-line their account on the EPCIS website to see how their application is being progressed and EPCIS will notify employees by email in advance of proposed date for delivery (normal times are Monday to Friday 8.00am to 5.00pm).
- 3.11 The HR People Centre will enter the payroll deductions, to be deducted the following month.
- 3.12 Note, once a finalised agreement has been ordered, the Council can not cancel as payments due become part of a legal contract. There is a brief window between receiving the signed Training Subscription Agreement and finalising an order in which a cancellation is still possible if notification is received quickly. The Council can not guarantee a cancellation however and once a Training Subscription Agreement has been signed, it should be taken as being legally binding.

#### **4. Rules of the Scheme**

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- 4.1 The Council remains liable to AFM under the Lease Agreement to pay, insure and indemnify the software and equipment that is sub-let to employees. Therefore the Council is ultimately liable to AFM and employees liable to the Council.
- 4.2 All employees accepted on the scheme are legally bound to make full repayments. Debt recovery measures will be taken if necessary to recover monies owed.

- 4.3 Employees are only permitted to make one application at a time and cannot participate in another scheme until the full balance is paid off.
- 4.4 The training subscription agreement is similar to a hire agreement in that employees do not own either the equipment or software. Employees must read the agreement carefully and ensure they understand their duties as expressly stated in the agreement terms and conditions.
- 4.5 Under current arrangements with EPCIS, an option to transfer title ownership at a percentage of sale cost will be considered.
- 4.6 Once a training subscription agreement is signed, it is not possible to increase or decrease salary sacrifice deductions or change to a different training package.
- 4.7 Employees are signing up to a subscription agreement to provide education training. Consumer rights do not apply. The agreement is legally binding and can not be cancelled.
- 4.8 Employees that abuse the scheme will be withdrawn with monies owed recovered and may be subject to disciplinary action.
- 4.9 The Computer or I-pad is being provided to the employee by the Council in the same way as any other business computer owned or lease by the Council, solely for work related purposes, namely accessing the training materials or otherwise in the performance of duties as an employee. Please note that Council information is not to be placed on the equipment in line with the Council's ICT and data protection policies. As the subscription is similar to a hire agreement, care should be taken when accessing internet sites. If inappropriate material is found on the hard drive during maintenance or if returned e.g. pornography, disciplinary action may be taken which could result in dismissal.

## **5. Salary Sacrifice**

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- 5.1 Salary Sacrifice is a system through which employees agree to a reduction in taxable salary in return for an equal amount for some form of non-cash benefit (in this case training package and computer).
- 5.2 Employees are required to sign a training subscription agreement that gives authorisation to receive part of contractual cash pay in return for the training package and computer through Salary Sacrifice.
- 5.3 The amount of salary sacrifice reduction each month will be exempt from tax and national insurance deductions. This would typically result in a saving of around 29% for a basic rate tax payer and 41% for a higher rate tax payer. Please note these are estimated figures and may not be the exact saving made. The salary sacrifice deduction will be shown as a separate element on payslips.

- 5.4 Joining the scheme will not make a significant difference to other payments received. It has been agreed that all Council benefits such as overtime, redundancy and pay increases (currently frozen) will be calculated on gross salary before the salary sacrifice is deducted. Employees will continue paying the same amount of pension as they would have before they joined the scheme. However the scheme currently advises employees in the final year of work not to participate due to the slight reduction in pension entitlement where pension deductions are made after the salary sacrifice is deducted.
- 5.5 Please note that the Council is not able to advise on the impact (if any) on tax credits or statutory Maternity Pay (if applicable) and further advice should be sought from the Inland Revenue.

## **6. Employee Responsibilities**

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- 6.1 To notify HR People Centre in writing immediately of any changes in personal circumstances that might effect repayments for example starting maternity leave or any contractual variation in hours worked.
- 6.2 Employees who knowingly supply false information, misuse or take financial advantage of the scheme, such as selling the equipment on during the repayment period, will be subject to disciplinary action. Abuse of the scheme may lead the scheme being withdrawn.
- 6.3 AFM has agreed to allow the Council to lend the equipment and training to employees subject to certain conditions. For example, the Council must indemnify against all loss or damage and all rental payments must be received during the lease period. Employees are therefore trusted to act responsibly if they participate in the EPCIS scheme as the Council remains fully liable for the discharge of all its liabilities and obligations under this agreement.

## **7. Loss or Damage to Computer or equipment**

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- 7.1 Employees must remember that title ownership belongs to AFM and that the computer and equipment is being sub-let. While the Council is liable to AFM for loss and damage, this indemnity is transferred to the employee through the training subscription agreement. Employees must therefore ensure all risks are minimised.
- 7.2 If the computer is lost, damaged or stolen during the repayment period, the employee has to continue paying for it. If stolen, it must be reported to the Police immediately or this could invalidate any insurance claim. The Council can not be held responsible for any damage, maintenance or warranty issues.
- 7.3 The manufacturer's warranty covers hardware only. Employees must first register the computer with the manufacturer to ensure covered under the warranty. In the event of an agreed loss claim, a new

replacement will be supplied or in the case of damage, it will be collected, repaired and returned by EPCIS.

- 7.4 The use of anti-virus software is a must to defend against malicious software. Free windows antivirus is available at [www.microsoft.com/securityessentials](http://www.microsoft.com/securityessentials) and must be used.
- 7.5 Employees must include the computer and equipment under their home contents insurance as the warranty does not cover theft, fire, flood, accidental loss, damage or software problems. This is normally a non cost addition to the home insurance.

## **8. End of Scheme Options**

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- 8.1 Employees who are near to complete the two year monthly deductions will be written to near the end of the hire agreement regarding end of scheme options. This will normally involve the return of the equipment (which must be in “average saleable condition”) or transfer of ownership of the equipment and training for a percentage fee of the original cost plus VAT.
- 8.2 For the purposes of efficient administration within the Council’s payroll system, the transfer of ownership fee has been automated to be deducted from participants the month following the final monthly deduction. Should an employee decide to return the equipment and it is deemed to meet the required condition, the transfer of ownership fee will be refunded.
- 8.3 At the end of the agreement and in the absence of an acceptance to purchase the computer and equipment, the employee must make arrangements for its collection. The personal computer should be returned in its original packaging (or packaging of a similar protective nature) as the employee will be liable for any damage that occurs during transportation. A failure to do so will mean the transfer of ownership fee will not be refunded.

## **9. Early Leavers**

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- 9.1 Participants whose employment ends during the term of the agreement, for any reason, will have any outstanding deductions taken from their final pay. Should the final pay be insufficient to cover the outstanding amount, the remaining amount will be raised as a debtors invoice.
- 9.2 As per the end of scheme process, an early leaver from the scheme will be provided the option to either return their equipment or to take ownership (at the end of the agreement term) for the transfer of ownership fee plus VAT. The payroll system will automatically include the transfer of ownership amount to the early leaver process. Where a leaver then returns the equipment within the required condition, the transfer of ownership amount will be refunded. It should be noted that

the full sum of the outstanding deductions will still be due, as per the signed Training Subscription Agreement.

- 9.3 In the event that employment is terminated, employees will be withdrawn from the scheme with effect from the last day of employment. No protections apply and full repayment of the outstanding amount will be required from net salary.

## **10. Further information**

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- 10.1 For further information, please contact Human Resources or see **Relevant Contact Details**.

### Greenwich Council EPCIS Scheme Applicant – internal eligibility checklist

<b>Applicant Name</b>	
<b>Applicant Payroll no</b>	
<b>Oracle Checks</b>	
<b>Does the applicant name match payroll no provided</b>	
<b>Check applicant address provided</b> Does address on application match Oracle record?	
<b>Employment status check</b>	
<b>Contract duration</b> Contract duration must cover period of deductions	
<b>Over 18 years old?</b> Applicants must be over 18	
<b>Within Council payroll?</b> Conway, Hawksmoore and Blackheath Bluecoats not Council payroll	
<b>GSP employee?</b> GSP employees cannot participate in Council EPCIS Scheme	
<b>National Minimum Wage Check</b> deduction must not take employee below NMW	
<b>Is applicant active within a previous scheme?</b> employees cannot participate in more than one scheme at a time	
<b>Applicant is not on long term absence?</b>	
<b>Applicant signed Hire Agreement received and attached</b>	
<b>Application Outcome</b>	
People Centre 2 <sup>nd</sup> tier check (print name and sign)	
Application approved / declined	
State reason for declined application – applicant advised	
Equipment Option selected	
Date online application approved / declined	
Copy of hire agreement attached	
Signed / Date (Council Contract Manager)	
Total Hire Agreement amount	
Monthly Deduction amount	

## **EPCIS EMPLOYEE FORM**

This form is to be completed by employees upon submission of their EPCIS Training Subscription Agreement

<b>Part 1 – To be completed by the employee</b>	
I am signing to confirm the following:	
<ul style="list-style-type: none"><li>• I have read and understood the Council’s EPCIS Policy document and my EPCIS Training Subscription Agreement</li><li>• I have not been notified that my post is at risk in a re-organisation</li><li>• I am not on long term sick leave and I do not have any long term unpaid absence planned</li><li>• I have checked my financial position in relation to the monthly deduction amount for the duration of the scheme.</li></ul>	
Print Name	
Payroll number	
Signature	
Date	

<b>Part 2 – for internal use</b>	
Training Subscription Agreement received by	
Signature	
Date	

## **Relevant Contact Details**

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### **EPCIS Contact Details**

**EPCIS Limited  
Steadings House  
Lower Meadow Road  
Wilmslow, Cheshire, SK9 3LP**

**Webpage: [www.ecis.co.uk](http://www.ecis.co.uk)**

**Telephone: Office: 08448732100 or DD:0161 488 3602**

### **HR People Centre**

**Telephone: 0208 921 Ext 4935/8347  
E-mail: HR&PAYROLL**

**HMRC Website for Tax Credits Advice  
[www.hmrc.gov.uk](http://www.hmrc.gov.uk)**