

GENERAL GUIDE FOR NEW WELLCOME TRUST SANGER INSTITUTE (WTSI)

EMPLOYEES FROM OVERSEAS

The purpose of this guide is to provide foreign nationals with information on working and living in the UK.

Information is provided on the following areas:

1. [Payment of salary](#)
2. [Income Tax](#)
3. [National Insurance Contributions](#)
4. [Pensions](#)
5. [The National Health Service](#)
6. [Opening a UK bank account](#)
7. [Finding accommodation](#)

1. PAYMENT OF SALARY

If you are employed by the WTSI, your salary will be paid directly into your bank account on the last Friday of each month. You will receive a payslip on the same day, detailing your pay components and any tax and National Insurance deductions.

The UK is not a member of the EU common currency and salaries are therefore paid in the national currency, GBP (£) sterling.

2. INCOME TAX

The Inland Revenue is the government department responsible for the collection of income tax in the UK.

The tax is deducted automatically from salary by the employer under the “Pay-As-You-Earn” (PAYE) tax system. Under this system, your employer is responsible for calculating tax (and also National Insurance Contributions – see section 3). The WTSI will pay this tax to the Inland Revenue and pay you the rest of the salary. To ensure the tax you pay is correct you must complete a P46 form when you arrive and return it to the Human Resources (HR) Department (unless you have a P45 from previous employment in the UK, which you should present instead).

The tax system works in a series of earnings bands and is calculated on an annual basis. A standard taxpayer has tax-free pay of £6475 in the tax year 2009/2010 (6th April 2009 - 5th April 2010). Tax is payable at the following rates:-

- 20% on the next taxable earnings between £6475 and £37400
- 40% over £37400

A few employees also have to complete tax returns as part of the self assessment procedure (those paying tax at the 40% rate and those with more complex tax affairs). If this applies to you, the Inland Revenue will send you a tax return. For information on completing tax returns go to <http://www.hmrc.gov.uk/sa/index.htm>

All employees must keep records of their pay and tax to enable completion of a tax return if necessary. These records include:

- Payslips.
- P45, which shows your total pay, tax & NI details during employment with the organisation. You will receive this if you leave employment during the tax year.

- P60, which shows your total pay, tax & NI details during each tax year. You will receive this by 31st May each year (if employed on 5th April).
- P11D, which shows your taxable expenses and benefits in kind. If applicable, you will receive this by 6th July each year (if employed on 5th April).

If you have children, you may be entitled to Working Families' Tax Credit and/or Children's Tax Credit. If you have a disability, you may be entitled to Disabled Person's Tax Credit. More information on these and helpline telephone numbers can be found on <http://www.hmrc.gov.uk/index.htm>.

If you need further information on your tax payments you can contact the Inspector of Taxes who deals with the WTSI tax affairs at the following address:

Cambridgeshire Area
Cambridge House
47 Clarendon Road
Watford
WD17 1HN
Telephone: 0845 3021453

When making an enquiry in writing or by telephone quote the Genome Research Ltd tax reference number, 126/G620, along with your National Insurance (NI) number (see section 3 for NI number applications).

The Inland Revenue also produces many leaflets on tax for people coming from abroad and these are available from the above address or from <http://www.hmrc.gov.uk/migrantworkers/index.htm>.

3. NATIONAL INSURANCE CONTRIBUTIONS

Anyone employed in the United Kingdom pays National Insurance Contributions (NICs), which help fund Britain's social security system. As an employee you will pay 'primary Class 1' NICs and your employer will pay 'secondary Class 1' NICs. Class 1 NICs are paid through the PAYE system, and are therefore deducted directly from your salary. Further information can be found from <http://www.hmrc.gov.uk/nic/work/ni-uk.htm>.

You must pay Class 1 contributions if:

- You work as an employee in Great Britain or Northern Ireland
- You are 16 or over and under state pension age (currently 60 for women and 65 for men)
- Your earnings exceed a prescribed minimum level, known as the Employee's Earnings Threshold. This threshold is £110 per week

If you earn above the Earnings Threshold you will pay a percentage rate of 11% on your earnings above the threshold.

Your contributions will be reduced by 1.6% (to 9.4%) if you are in contracted-out employment. You will be in contracted-out employment if you are a member of the Genome Research Ltd (GRL) Pension Plan, which is contracted out of the State Second Pension Scheme (SSP2). Genome Research Ltd Pension Plan is the registered name of the pension plan at WTSI.

If, as an alternative to GRL Pension Plan membership, you have an Appropriate Personal Pension (APP) arrangement you will also be contracted-out of SSP2. However, for APP membership you must pay contributions at the not contracted-out rate (11%) and the Inland Revenue National Insurance Contributions Office will pay contributions into your APP scheme on your behalf.

If you are a married woman or a widow you may be entitled to pay reduced rate NICs. For further information refer to <http://www.hmrc.gov.uk/individuals/tmanational-insurance.shtml>.

Employer NICs are 9.1% of earnings above £100 per week up to the Upper Earnings Limit which is £670 per week. For the balance of earnings above the Upper Earnings Limit the rate of employer NICs is 12.8%. There is no upper earnings limit for the employers' contributions. Do we need this in?

The social security benefits funded from NICs are:

- Jobseeker's Allowance
- Incapacity Benefit
- State pension [Basic & Additional]
- Bereavement Benefits
- Maternity Allowance
- Statutory Sick Pay

To receive a benefit, you (or sometimes your husband or wife) must have a certain amount of qualifying earnings, which varies for each benefit. For further information refer to <http://www.dwp.gov.uk/>

The benefits most likely to be claimed during WTSI employment are Statutory Sick Pay and Statutory Maternity Pay, which are paid directly to employees in the same way as their salary.

Everyone who is working, by law, must have an NI number and must inform their employer what it is.

Once you have started employment at WTSI you will be informed of the procedure for obtaining an NI number by a member of the HR Department. This will involve an appointment at the local Job Centre Plus office in Cambridge.

Once you have your NI number you must inform the HR office at WTSI. Your NI contributions and credits will then be correctly recorded on your National Insurance Account, which helps protect your entitlement to Social Security Benefits.

If you return to your home country after your employment in the UK you may be able to ask the Social Security Ministry in your country to transfer your British NICs to your account at home. Ask your local Social Security Office for series SA leaflets for more information on the social security arrangements between the UK and other countries.

4. PENSIONS

You have four options when considering pension provision:

- Membership of the GRL Pension Plan
- Personal pension
- State Earnings Related Pension Scheme (SERPS)
- Stakeholder pension

The WTSI is not allowed to give you advice in deciding which option to take. However, you should be aware that Government Ministers emphasised the introduction of personal pensions was intended principally as an alternative to SERPS for those not able to join a good occupational scheme at the time that UK pensions law was changed.

The GRL Pension Plan is a 'final salary' scheme which provides pension benefits based on a fraction of pensionable salary (usually that earned in the year leading up to retirement). There are two options:-

1. Non-contributory: this awards $1/80^{\text{th}}$ of final pensionable salary for each year of reckonable service.
2. Contributory: a monthly pension contribution of 5% of salary increases the benefit to $1/60^{\text{th}}$ of final pensionable salary for each year of reckonable service.

In addition, retiring members also receive a tax-free lump sum. There is also a 'Death in Service Benefit' of 4 times pensionable salary.

A personal pension plan is an arrangement by which an individual makes contributions to a scheme administered by an insurance company, bank or building society. The benefits received depend upon the value of the personal pension fund at retirement. This, in turn, depends upon the level of contributions and the quality of the investment performance of the company running the scheme.

Hence, there is an element of risk, and the benefits may be higher or lower than expected. It is usually impossible to know the value of the pension until you get close to retirement. The WTSI does not make any contributions to personal pensions.

If you opt not to join the GRL Pension Plan, or take out a personal pension, you will have to contribute to SERPS, which is administered by the Department of Work & Pensions. The benefits consist of a pension only (no lump sum) which is based on 'band earnings'. Contributions are made through the National Insurance System.

Stakeholder Pensions are new low cost pensions designed for people without access to employer sponsored pension arrangements. They aim to supplement the basic state Retirement Pension.

5. THE NATIONAL HEALTH SERVICE (NHS)

Eligibility for health care services under the NHS is linked to residency rather than nationality or immigration status. To find out what NHS services you are entitled to, go to http://www.dh.gov.uk/en/Healthcare/Entitlementsandcharges/OverseasVisitors/DH_836.

You can also get medical advice from NHS direct on <http://www.nhsdirect.nhs.uk>, or by phone on 0845 4647. This is a 24-hour service.

WTSI offers a private health insurance scheme, administered by BUPA, to eligible employees after 6 months qualifying period. WTSI pays the subscription for this insurance but it is a taxable benefit in kind.

6. OPENING A UK BANK ACCOUNT

Opening up a bank account for overseas recruits has become increasingly more difficult and means that access to an account may take a few weeks. It is therefore advised that wherever possible individuals should ensure that they have the means to access funds in their home country.

However, WTSI has an arrangement with NatWest, one of the main UK banks, to open a Bank account within a week or so through their Global Employee Banking Scheme. Details will be provided at your induction or you can visit their website: <http://www.natwestglobal.com/> should you wish to use this facility.

Once you have your bank details, you must complete the Bank Details Form and pass it to the HR office so that your salary can be paid directly into your bank account. If your bank details have not arrived before the payroll deadline of the month, you will be paid by cheque for that month.

7. FINDING ACCOMMODATION

Private Sector

Rent is largely determined by the area in which the property is located. There are several types of accommodation described below:

- *Room: a single room to let in a flat or house, usually with landlord/lady on the premises.
- *Bedsit: one main room with adjacent cooking facilities, shared bathroom/toilet. If the bedsit is in a family house then you may be able to have breakfast and dinner with the family.
- * Studio: one main room with own cooking and bathroom facilities.
- * Flat: self-contained flat (apartment).
- * House: self-contained house.

- * Roomshare: a place in a shared room
- * Flatshare: room in shared flat.
- * Houseshare: room in shared house.

Accommodation is usually fully furnished and equipped unless otherwise stated.

Where to look

There are numerous accommodation agencies specialising in certain areas or types of accommodation. Some local newsagents advertise accommodation in their windows. Alternatively, accommodation is advertised on the notice board behind the WTSI Reception. One of the main papers for accommodation is The Cambridge Evening News which comes out daily but has a property edition every Thursday. You can also access this information via the website <http://property.cambridge-news.co.uk/letting.asp>.

Most local newspapers carry ads for private accommodation within their circulation area. If you decide to use this method you need to choose an area and make sure you buy the paper the day it comes out. Look in the Yellow Pages or Thomson telephone directories for estate agents who deal with rented accommodation in your preferred area. Note that some agencies will charge fees for their services, so you should ask the agency what fees, if any, are involved before you tell them to go ahead and find you accommodation.

Paying rent

Although the landlord is not required by law to provide a written tenancy agreement, it is wise to ask for one. Usually, no more than one month's rent is required as a deposit to act as security in case you leave the property owing rent or to pay for any damage or unpaid household bills at the end of the tenancy. Rent is normally paid monthly in advance. It is important to get a receipt for your deposit which should state the amount, exactly what it is for and whether it is returnable when you leave. Gas, electricity, telephone and council tax is usually paid in addition to the rent. You may need to provide a bank/personal/professional reference to your landlord which could give you an advantage when a lot of other people are interested in the same accommodation. If you do have any problems or queries relating to tenancy agreements contact your local Citizen's Advice Bureau (CAB).

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