

Processing Overtime, Casual Hours and Additional Roles & Responsibilities

EPM Connect Guide

Document Control

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The Director of Operational Excellence shall review this guide annually and shall determine whether any further changes need to be made prior to approval.

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Contents

Contents	2
Overview	3
Additional Duties / Ad Hoc Hours	3
Staff Acting Up to a Higher Role	3
Additional Responsibilities	4
Additional payments for occasional cover, resulting in extra payment.....	4
Acting up	4
Covering a different role during standard working hours	5
Sessional rates.....	5
Fixed rates	6
Casual staff working regular supply hours.....	6
Regular hours working at a higher rate	7
Expense Claims for Call out fees etc	7
Key considerations.....	7
1. Accurate National Minimum Wage and pay calculations	7
2. Correct calculation of statutory holiday pay	7
3. Clear separation of roles and pay types	8
4. Transparent audit trail for HMRC and internal checks.....	8
5. Reducing payroll risk and errors.....	8
6. Correct employment status and worker classification.....	8
7. Reducing administrative burden and payroll risk.....	8
8. Fairness and Transparency for Employees.....	8
Casual Contracts	9
Common Mistakes with Casual Contracts.....	10
1. Treating regular work as casual	10
2. Using lump sum payments instead of recording hours	10
3. Rolling up multiple days or payments into a single line.....	10
4. Not recording holiday pay separately.....	10
5. Applying incorrect or blended hourly rates	10
6. Failing to set up a separate casual role.....	10
7. Not adjusting overlapping hours.....	10
8. Inconsistent application across similar roles	11

Overview

This guide will walk you through the steps required to process common time claims.

To ensure compliance with National Minimum Wage (NMW) legislation and to maintain clear, auditable payroll records, we would like to remind schools and academies of the recommended approach for processing additional or ad hoc hours worked by staff.

Following the processes outlined within this guide will help to ensure:

- Compliance with National Minimum Wage requirements
- Accurate payroll recording and reporting
- A clear audit trail for internal and external review
- Consistency across schools and academies
- Clarity to employees regarding the pay they receive for each role and the rate of pay

HMRC (and soon to be enforced by the Fair Work Agency) are able to make on site visits to employers, including schools, to audit their compliance with NMW legislation. Non-compliance can result in both repayment to employees and significant penalties if employers are found to be in breach.

If you require any further information, please do not hesitate to contact your Payroll Administrator

Additional Duties / Ad Hoc Hours

Where an employee undertakes additional duties outside of their contracted hours, these hours should be processed against a casual contract that has been set up with the appropriate hourly rate.

Processing additional work in this way ensures that:

- All hours worked are clearly recorded and linked to an hourly rate and displayed on a payslip.
- Payroll calculations accurately reflect the number of hours worked and the rate of pay applied.
- Records remain transparent and auditable for compliance purposes, including NMW checks.
- Payments are correctly attributed to the appropriate role and pay rate.

Processing a lump sum payment for additional work does not clearly demonstrate the number of hours worked or the hourly rate applied, which can make it more difficult to evidence compliance with NMW regulations and payroll best practice.

Staff Acting Up to a Higher Role

Where an employee undertakes duties at a higher grade for a period of time during their contracted hours (for example, a Teaching Assistant working as a Higher Level Teaching Assistant), the recommended approach is to pay the hours worked at the higher rate, reflecting the duties undertaken and offset the equivalent hours from their substantive role with a deduction against their usual contracted rate.

This approach ensures that:

- The payroll record accurately reflects the role performed and the rate applied for those hours.
- Pay calculations remain transparent and traceable.
- There is clear evidence of compliance with NMW and internal payroll controls.
- Pension records for each role are correctly calculated

Simply processing the difference between the two hourly rates multiplied by the hours worked does not clearly demonstrate the hours paid at each rate and therefore does not provide the same level of transparency or audit trail.

Additional Responsibilities

Additional payments for occasional cover, resulting in extra payment

Example: A Teaching Assistant occasionally covering at the school's After School Club.

Where an employee occasionally covers an additional role and responsibility in addition to their main role, resulting in an additional payment, an additional casual role should be added and time claims processed under this casual role, with each day processed as an individual line. A separate claim should be added for holiday pay, under the casual role, with a separate line for each day worked.

Neither the hours worked or the holiday pay should be rolled up as a single line.

Why is this important?: Using a separate casual role with individual daily entries for hours and holiday pay ensures accurate pay calculations, correct statutory holiday treatment, clear separation of roles, and a strong audit trail, all of which support HMRC compliance and robust payroll governance. This approach maintains a clear audit trail and ensures the correct pay rates are applied. It would also be advisable to monitor how frequently this arrangement occurs, as regular dual-role working may indicate the need for a contractual variation or a review of staffing structures. Where higher-grade duties are undertaken repeatedly, ensuring the correct rate of pay is applied will help mitigate equal pay risk and strengthen compliance. If cover is predictable or recurring, it may be administratively simpler to issue a contractual variation reflecting blended hours rather than relying on repeated adjustments.

Acting up

Example: A Teaching Assistant acting up as an HLTA.

Where an employee occasionally acts up to cover a higher paid role during their standard working hours, resulting in the need for these hours to be paid at a higher rate in place of the pay they receive for their main role, an additional casual role should be added and time claims processed under this casual role, with each day processed as an individual line. A separate claim should be added for holiday pay under this casual role, with a separate line for each day worked. A ticket should then be sent to the payroll team who will remove the hours from the main role.

Neither the hours worked or the holiday pay should be rolled up as a single line.

Why is this important?: Using a separate casual role with individual daily entries for hours and holiday pay ensures accurate pay calculations, correct statutory holiday treatment, clear separation of roles, and a strong audit trail, all of which support HMRC compliance and robust payroll governance. This approach maintains a clear audit trail and ensures the correct pay rates are applied. It would also be advisable to monitor how frequently this arrangement occurs, as regular dual-role working may indicate the need for a contractual variation or a review of staffing structures. Where higher-grade duties are undertaken repeatedly, ensuring the correct rate of pay is applied will help mitigate equal pay risk and strengthen compliance. If cover is predictable or recurring, it may be administratively simpler to issue a contractual variation reflecting blended hours rather than relying on repeated adjustments.

Covering a different role during standard working hours

Example: A Teaching Assistant acting as a Midday Supervisor where hours overlap.

Where an employee occasionally covers a role different to their main role during normal working hours and therefore hours that overlap with their main role, an additional casual role should be added and time claims processed under this casual role, with each day processed as an individual line. A separate claim should be added under this casual role for holiday pay, with a separate line for each day worked. A ticket should then be sent to the payroll team who will remove the hours from the permanent role.

Neither the hours worked or the holiday pay should be rolled up as a single line.

Why is this important?: Using a separate casual role with individual daily entries for hours and holiday pay ensures accurate pay calculations, correct statutory holiday treatment, clear separation of roles, and a strong audit trail, all of which support HMRC compliance and robust payroll governance. This approach maintains a clear audit trail and ensures the correct pay rates are applied. It would also be advisable to monitor how frequently this arrangement occurs, as regular dual-role working may indicate the need for a contractual variation or a review of staffing structures. Where higher-grade duties are undertaken repeatedly, ensuring the correct rate of pay is applied will help mitigate equal pay risk and strengthen compliance. If cover is predictable or recurring, it may be administratively simpler to issue a contractual variation reflecting blended hours rather than relying on repeated adjustments.

Sessional rates

Example: Where an employee only covers an additional responsibility for 20 minutes.

Where an employee covers a role for a short period an additional casual role should be added and the exact time period entered. Time claims should be processed under the casual role under this casual role, with each day processed as an individual line. A separate claim should be added for holiday pay under this casual role, with a separate line for each day worked.

If the time covered overlaps with the hours the employee would usually work within their main role a ticket should then be sent to the payroll team who will remove the hours.

We cannot create a lower rate to represent the total time, as this may appear as if the employee is being paid under minimum rate.

Why is this important?: Recording short sessional duties through a separate casual role with the exact time entered, individual daily lines, and separate holiday pay claims ensures clear evidence of hours worked, correct statutory holiday calculations, National Minimum Wage compliance, and a robust audit trail for payroll and HMRC purposes.

Fixed rates

Example: A teacher working as a midday supervisor

Where a fixed rate needs to be applied, a casual role should be added and a spot rate created, rather than adjusting an employee's main salary or applying manual lump-sum payments. Spot rates are added by our Payroll Team. Please raise a ticket for your payroll team to add a spot rate within the system. The spot rate should meet minimum wage.

Why is this important?: Creating a casual role and applying a spot rate ensures additional fixed-rate work is recorded transparently, maintains clear separation from the employee's substantive salary, supports National Minimum Wage compliance, and provides a robust payroll audit trail for HMRC and internal governance.

Casual staff working regular supply hours

Example: Where a casual teacher or TA covers supply on a regular basis or a Clerk to Governor is on a casual contract.

Where this pattern is broadly consistent, a contract of employment would be more appropriate than a casual arrangement. Moving to a contract will allow you to pay a standard monthly salary, with only additional hours processed via timesheets where work exceeds the contracted amount. A separate claim should be added for holiday pay only where the casual post is a support role, with a separate line for each day worked. Teachers are not entitled to holiday pay.

Why is this important:

If an individual is working regularly each month on a reasonably predictable pattern, this aligns more closely with substantive employment than ad hoc engagement.

This would remove the need to calculate and add holiday pay separately, ensure pension contributions are applied consistently, and provide greater clarity around mutuality of obligation and employment status.

It would also reduce employment status risk where long-running casual arrangements may imply ongoing rights, strengthen compliance with Working Time Regulations through clearer monitoring of hours, and provide greater defensibility during audit scrutiny. Where roles are linked to EHCP or time-limited funding, the contract can reference the funding review point to provide appropriate protection to the school. If the need is ongoing and not funding-dependent, you may wish to consider whether permanent contracts are more suitable.

Regular hours working at a higher rate

Example: Where a caretaker is paid time and a half for weekend hours

We would suggest that administration could be reduced by reviewing whether contracts can be amended to incorporate an annualised on-call allowance and clearly defined call-out arrangements.

Why is this important?: Embedding these elements within the contract would support more accurate budgeting, reduce the need for manual monthly adjustments, and provide clarity on whether payments are pensionable. It would also support compliance with Working Time Regulations, particularly where on-call arrangements may count towards working time depending on the level of restriction placed on the employee. Clarifying overtime provisions within the contract would further ensure consistency of application and reduce the risk of future challenge.

Payments are incorrectly treated as allowances instead of additional pay.

Expense Claims for Call out fees etc

Example: Where a caretaker is paid a call out fee.

Where an employee is paid a set sum per month or per annum regardless of the hours worked, we would suggest that administration could be reduced by reviewing whether contracts can be amended to incorporate an annualised on-call allowance and clearly defined call-out arrangements.

Why is this important:

Embedding these elements within the contract would support more accurate budgeting, reduce the need for manual monthly adjustments, and provide clarity on whether payments are pensionable. It would also support compliance with Working Time Regulations, particularly where on-call arrangements may count towards working time depending on the level of restriction placed on the employee. Clarifying overtime provisions within the contract would further ensure consistency of application and reduce the risk of future challenge.

Key considerations

1. Accurate National Minimum Wage and pay calculations

Recording each day worked separately ensures that actual hours worked and pay received can be clearly evidenced. HMRC requires employers to demonstrate that employees are paid at least the National Minimum Wage for the hours worked, and this can only be validated when hours and payments are itemised. If multiple shifts are rolled into a single line, it becomes difficult to verify compliance with minimum wage requirements.

2. Correct calculation of statutory holiday pay

Casual or occasional hours attract statutory holiday pay, which must be calculated separately from the worked hours. Recording holiday pay as a separate claim for each day worked ensures it is calculated and paid correctly in line with statutory guidance (often using the appropriate accrual method). Rolling holiday pay into a single line risks incorrect calculations and makes it harder to evidence that holiday entitlement has been paid correctly.

3. Clear separation of roles and pay types

Adding a separate casual role ensures the additional work is clearly distinguished from the employee's substantive role. This is important for payroll processing, as different roles may have different pay rates, working patterns, pension implications, or funding streams. It also ensures payroll reports accurately reflect the nature of the work undertaken.

4. Transparent audit trail for HMRC and internal checks

Processing each day as an individual line creates a clear and transparent record of when work was performed, how many hours were worked, and how pay and holiday were calculated. This level of detail supports internal audit processes and provides evidence if HMRC or auditors request justification for payments.

5. Reducing payroll risk and errors

Breaking payments down into daily entries helps payroll teams validate claims, identify anomalies, and reconcile payments against actual work completed. Rolling multiple payments into a single line increases the risk of calculation errors, incorrect holiday pay, or incomplete records.

6. Correct employment status and worker classification

If an individual works regular, predictable hours, HMRC and employment law may consider them to be operating more like an employee rather than a casual worker. Continuing to treat someone as casual when their work pattern is consistent can create risk around employment status. Moving to a contract of employment ensures the arrangement more accurately reflects the reality of the working relationship.

7. Reducing administrative burden and payroll risk

Where casual staff regularly work similar hours each month, processing all payments via timesheets can create administrative overhead and increase the risk of errors or missed claims. Moving to a contract reduces these risks by establishing a baseline salary while still allowing flexibility for additional work where required.

8. Fairness and Transparency for Employees

Clear and accurate recording of hours worked and payments ensures that employees are paid correctly for the work they perform and understand how their pay has been calculated. Transparent payslips and itemised records help build trust, reduce queries or disputes, and ensure employees receive the correct entitlement to pay, including holiday pay and enhanced rates where applicable. This also supports fair treatment across the workforce and reduces the risk of grievances or equal pay concerns.

Casual Contracts

A casual contract is a working arrangement where an individual is engaged on an irregular or as required basis, with no guaranteed hours and no obligation on the employer to provide work or on the individual to accept it.

From an HMRC perspective, individuals on casual contracts are typically treated as workers or employees for tax purposes, and payments must be processed through payroll with appropriate deductions for tax and National Insurance.

Key characteristics include:

- Work is undertaken on an ad hoc basis, rather than as part of a regular working pattern
- Pay is based on actual hours worked, which must be recorded accurately
- There is no expectation of ongoing or guaranteed work
- Holiday pay must be calculated and paid in accordance with statutory requirements
- Earnings must comply with National Minimum Wage legislation, based on total hours worked

It is essential that all hours worked under a casual arrangement are clearly recorded and linked to pay, as HMRC requires employers to demonstrate compliance with minimum wage and statutory pay requirements.

Where an individual works regular or predictable hours over a sustained period, HMRC and employment law may view the arrangement as employment rather than casual work. In these cases, employers should review whether a more formal contract of employment is appropriate.

From an HR perspective, when a school employee covers additional hours in a different role, even as a one-off, it should be processed through a casual role to keep that work clearly separate from their main contract. This is not just best practice but essential for your audit trail. This ensures the correct pay rate and holiday entitlement are applied, avoids altering contractual terms or creating unintended entitlements, and supports compliance with employment law, pension and working time regulations. It also provides a clear audit trail for payroll and reporting, prevents distortion of core salary and workforce data, and ensures consistency in how additional work is handled across the school or trust.

If an employee works in a role that is not their substantive post or an employee undertakes work in a non-contracted role, without this being recorded and processed as a casual role, this creates a significant risk to both the employee and employer regarding accountability, equal pay claims and understanding of responsibilities.

An employee's substantive contract (e.g. Teaching Assistant) is tied to:

- a specific role
- a pay scale / grade
- defined hours and conditions

If they temporarily do something different (e.g. after-school club, cover supervision), paying it through their main role blurs contractual boundaries and can unintentionally change their terms and conditions. A casual role keeps this work clearly separate and non-contractual.

Different roles may have different hourly rate, different working time implications and different entitlements (e.g. pension, holiday pay handling). If you don't separate it you risk under/overpaying,

you could breach minimum wage rules (especially with short sessions), which is a key focus for the Fair Work Agency. It may also create implicit contractual entitlement if repeated.

A casual role ensures the payment is treated correctly as additional, non-guaranteed work and also prevents issues with working time and overlaps. If someone works extra hours you need to assess overlapping hours and ensure compliance with Working Time Regulations. Using a casual role makes overlaps visible and allows payroll adjustments where needed. Without this, you risk paying for impossible hours or double-paying and future disputes - ie I was paid differently last time.

Common Mistakes with Casual Contracts

1. Treating regular work as casual

Where an individual works regular, predictable hours over a sustained period, continuing to treat them as casual may create employment status risks. This can lead to challenges around employment rights, pensions, and statutory entitlements.

2. Using lump sum payments instead of recording hours

Paying a flat amount without recording hours worked makes it difficult to demonstrate National Minimum Wage compliance and weakens the audit trail.

3. Rolling up multiple days or payments into a single line

Combining several shifts into one entry reduces transparency and makes it harder to verify hours worked, pay rates applied, and holiday pay calculations.

4. Not recording holiday pay separately

Holiday pay must be calculated and recorded separately from hours worked. Failing to do so can result in underpayment and non-compliance with statutory requirements.

5. Applying incorrect or blended hourly rates

Using adjusted rates to simplify calculations (rather than recording actual hours at the correct rate) can result in apparent underpayment when assessed against total hours worked for NMW purposes.

6. Failing to set up a separate casual role

Processing additional work through an employee's main role can obscure the nature of the work, create reporting inaccuracies, and increase the risk of payroll errors.

7. Not adjusting overlapping hours

Where additional work takes place during an employee's normal working hours, failing to remove those hours from the substantive role can lead to overpayment and inaccurate records.

8. Inconsistent application across similar roles

Applying different approaches for similar situations can create equal pay risks and inconsistency in payroll treatment, which may be challenged during audit.