

# **Working Families' Tax Credit and Disabled Person's Tax Credit: A Survey of Employers**

## **Appendices**

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**BMRB International and Policy Studies Institute**

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## **Appendices**

**Working Families' Tax Credit**

**and Disabled Person's Tax Credit:**

**A Survey of Employers**

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Inland Revenue

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## A. MULTIVARIATE TECHNICAL APPENDIX

### Appendix 1: Characteristics of the PVE population

m(1) is if pve on admin measure for all selected for sample; m(2) is same but for interviewed sample

The first row of figures for each variable are coefficients estimates, the second row of figures are t-ratios. One asterisk denotes statistical significance at the 10 percent level; two asterisks at 5 percent; and three asterisks at 1 per cent.

	(1)	(2)
	pve	pve
Region (ref: North West)		
North East	0.380	0.400
	(5.81)**	(3.96)**
North	-0.127	-0.210
	(0.91)	(1.01)
Yorkshire and Humberside	0.560	0.652
	(9.56)**	(6.95)**
East Midlands	-0.026	0.097
	(0.46)	(1.10)
West Midlands	-0.058	-0.131
	(0.99)	(1.41)
East Anglia	-0.204	-0.212
	(2.59)**	(1.78)
Eastern	-0.125	-0.068
	(1.64)	(0.55)
London	-0.159	-0.096
	(2.79)**	(1.02)
South East	0.178	0.194
	(3.17)**	(2.14)*
South West	0.029	0.096
	(0.49)	(1.07)
Wales	0.422	0.442
	(6.90)**	(4.57)**

Scotland	-0.120	-0.112
	(1.78)	(1.03)
Organisation type (ref: company)		
Proprietor	0.226	0.254
	(4.29)**	(2.71)**
Partnership	0.180	0.267
	(4.74)**	(4.37)**
Public corporation	0.575	0.775
	(1.34)	(1.31)
Central government	-0.691	-0.864
	(2.00)*	(2.15)*
Local authority	-0.047	-0.209
	(0.16)	(0.64)
Non-profit organisation	0.103	0.109
	(1.61)	(0.96)
Number of employees (ref: 20-49)		
Under 5 employees	-1.296	-1.240
	(24.11)**	(15.02)**
5-9 employees	-0.917	-0.904
	(15.97)**	(10.57)**
10-19 employees	-0.525	-0.529
	(9.88)**	(6.97)**
50-99 employees	0.484	0.610
	(9.24)**	(8.62)**
100+ employees	0.762	0.937
	(12.57)**	(10.66)**
Log turnover (£s 000)	0.068	0.035
	(5.11)**	(1.70)
5+ establishments	0.344	0.360
	(4.40)**	(2.97)**
Number of PAYE units (ref: 1)		
0	1.150	1.448

	(9.20)**	(6.48)**
2	0.231	0.271
	(2.77)**	(2.03)*
3+	-0.439	-0.567
	(3.10)**	(2.71)**
Industry wholesale/retail) (ref:		
Agriculture/Fisheries	0.346	0.197
	(3.32)**	(1.04)
Mining	-0.449	-0.496
	(1.36)	(1.29)
Manufacturing	0.047	0.039
	(1.10)	(0.60)
Construction	-0.311	-0.255
	(5.80)**	(3.11)**
Hotels/restaurants	0.330	0.250
	(4.83)**	(2.21)*
Transport/communication	-0.083	0.081
	(1.15)	(0.68)
Finance	-0.410	-0.565
	(2.18)*	(1.80)
Business	-0.106	-0.089
	(2.39)*	(1.26)
Public administration	0.618	0.947
	(1.73)	(2.15)*
Education	0.235	0.425
	(1.34)	(1.88)
Health	0.109	-0.198
	(0.78)	(1.09)
Other services	0.270	0.208
	(4.55)**	(2.04)*
Constant	-0.863	-0.756
	(7.44)**	(4.24)**
Observations	14969	6453

## Appendix 2: Information and advice (Tax Credit Awareness)

	(1) 0-4 awareness scale	(2) 0-4 awareness scale	(3) High awareness	(4) Low awareness
	naware	naware	hiaware	loaware
PVE status at interview (ref: never PVE)				
Current PVE	0.923		0.848	-1.639
	(16.36)**		(11.84)**	(16.76)**
Ex-PVE	0.885		0.813	-1.214
	(12.63)**		(9.30)**	(10.05)**
North East	-0.006	0.027	0.117	0.174
	(0.06)	(0.26)	(0.94)	(1.24)
North	-0.196	-0.209	-0.229	0.551
	(0.80)	(0.87)	(0.62)	(1.36)
Yorkshire and Humberside	-0.121	-0.102	-0.066	0.140
	(0.95)	(0.80)	(0.46)	(0.79)
East Midlands	0.017	0.015	0.062	-0.042
	(0.15)	(0.14)	(0.46)	(0.28)
West Midlands	0.171	0.192	0.224	-0.191
	(1.44)	(1.66)	(1.53)	(1.20)
East Anglia	-0.082	-0.077	-0.171	-0.061
	(0.64)	(0.61)	(1.10)	(0.31)
Eastern	-0.220	-0.187	0.093	0.328
	(1.24)	(1.06)	(0.47)	(1.46)
London	-0.146	-0.139	-0.112	0.099
	(1.07)	(1.03)	(0.71)	(0.57)
South East	-0.161	-0.145	-0.063	0.189
	(1.32)	(1.19)	(0.44)	(1.15)
South West	0.048	0.050	0.065	-0.050
	(0.44)	(0.45)	(0.48)	(0.31)
Wales	-0.107	-0.071	0.019	0.236
	(1.02)	(0.68)	(0.15)	(1.64)
Scotland	-0.214	-0.187	-0.186	0.235
	(1.34)	(1.18)	(0.89)	(1.07)

Proprietor	-0.260	-0.252	-0.137	0.407
	(2.14)*	(2.11)*	(0.92)	(2.52)*
Partnership	-0.125	-0.102	-0.128	0.198
	(1.59)	(1.31)	(1.35)	(1.86)
Public Corporation	0.364	0.343	0.228	-0.394
	(1.49)	(1.43)	(0.75)	(0.84)
Non profit	-0.213	-0.214	-0.169	0.180
	(1.56)	(1.59)	(1.05)	(0.89)
Under employees	5 -0.026	-0.068	-0.120	-0.099
	(0.29)	(0.78)	(1.07)	(0.71)
5-9 employees	-0.013	-0.049	-0.116	-0.046
	(0.14)	(0.54)	(1.01)	(0.33)
10-19 employees	-0.133	-0.137	-0.189	0.201
	(1.76)	(1.80)	(1.94)	(1.64)
50-99 employees	0.105	0.094	0.109	-0.048
	(1.66)	(1.47)	(1.28)	(0.41)
100+ employees	0.241	0.199	0.272	-0.142
	(2.77)**	(2.20)*	(2.38)*	(0.82)
5+ establishments	0.089	0.117	0.033	-0.163
	(0.92)	(1.27)	(0.23)	(0.75)
2 PAYE units	-0.084	-0.139	-0.128	0.053
	(0.70)	(1.17)	(0.97)	(0.25)
Agriculture/fisheries	0.372	0.394	0.386	-0.352
	(1.63)	(1.72)	(1.42)	(1.02)
Manufacturing	-0.020	-0.006	-0.020	-0.028
	(0.24)	(0.07)	(0.19)	(0.24)
Construction	-0.143	-0.152	-0.302	0.244
	(1.49)	(1.60)	(2.29)*	(1.73)
Hotels/restaurants	0.068	0.084	-0.004	-0.048
	(0.47)	(0.58)	(0.02)	(0.23)

Transport/Communication	-0.201	-0.227	-0.025	0.323
	(1.01)	(1.16)	(0.12)	(1.45)
business	0.225	0.218	0.194	-0.265
	(2.12)*	(2.08)*	(1.72)	(2.03)*
Other services	0.081	0.087	-0.076	-0.048
	(0.64)	(0.69)	(0.52)	(0.28)
% employees working <16 hours per week (ref: 1-50%)				
0%	0.014	0.004	0.000	-0.034
	(0.20)	(0.06)	(0.00)	(0.33)
50% or more	0.163	0.145	0.212	-0.157
	(1.07)	(0.96)	(1.21)	(0.81)
Don't know	-0.112	-0.101	0.412	0.288
	(0.20)	(0.18)	(1.07)	(0.52)
% employees working 30+ hours (ref: 80% or more)				
0-79%	-0.020	-0.017	-0.013	0.079
	(0.27)	(0.23)	(0.15)	(0.75)
Don't know	-0.298	-0.300	-0.140	0.543
	(0.51)	(0.50)	(0.39)	(1.09)
At least 10% employees from minority ethnic groups	0.257	0.249	0.158	-0.253
	(2.65)**	(2.61)**	(1.26)	(1.48)
% employees with health problem (ref: 1-4%)				
0%	0.116	0.121	0.109	-0.218
	(1.23)	(1.26)	(0.89)	(1.20)
5% or more	0.126	0.114	0.181	-0.242
	(1.00)	(0.89)	(1.13)	(1.08)
Don't know	0.159	0.256	0.197	0.032

	(0.95)	(1.40)	(0.95)	(0.10)
% part-time employees earning < £15k per annum (ref: <50%)				
50-99%	-0.350	-0.346	-0.527	0.292
	(2.19)*	(2.17)*	(2.79)**	(1.37)
100%	0.005	0.032	-0.063	-0.177
	(0.05)	(0.29)	(0.46)	(1.06)
Don't know	-0.461	-0.486	-0.524	0.233
	(2.05)*	(2.17)*	(2.24)*	(0.71)
% full-time employees earning < £15k per annum (ref: 30%+)				
0%	0.110	0.097	-0.043	-0.092
	(1.23)	(1.10)	(0.41)	(0.82)
1-9%	-0.027	0.018	-0.040	-0.035
	(0.27)	(0.17)	(0.29)	(0.18)
10-29%	0.155	0.145	0.110	-0.184
	(2.09)*	(1.98)*	(1.24)	(1.69)
Payroll arrangement (ref: internal only)				
External	-0.246	-0.238	-0.068	0.342
	(2.26)*	(2.19)*	(0.56)	(2.49)*
External and internal	-0.206	-0.197	-0.183	0.132
	(2.68)**	(2.58)*	(1.93)	(1.23)
Don't know	0.062	0.205	0.294	0.416
	(0.09)	(0.35)	(0.39)	(0.50)
Payroll structure (ref: central payroll unit for whole organisation)				
Central payroll	0.289	0.309	0.436	-0.216

unit reporting only				
	(2.33)*	(2.56)*	(3.23)**	(1.30)
2+ payroll units	-0.126	-0.157	-0.007	0.134
	(0.75)	(0.95)	(0.04)	(0.54)
Don't know	-0.503	-0.491	-1.342	0.982
	(1.62)	(1.47)	(3.01)**	(1.27)
Payroll technology (ref: computer only)				
Manual only	-0.203	-0.231	-0.100	0.235
	(2.86)**	(3.26)**	(1.20)	(2.45)*
Mixture	-0.221	-0.194	-0.324	0.723
	(1.49)	(1.38)	(1.55)	(2.95)**
Don't know	-0.182	-0.206	-0.218	0.141
	(0.89)	(1.02)	(0.97)	(0.63)
N employees working mainly on payroll (ref: 1)				
0	-0.138	-0.142	-0.073	0.213
	(1.61)	(1.68)	(0.75)	(1.78)
2	0.140	0.144	0.234	-0.268
	(1.27)	(1.30)	(1.78)	(1.62)
3 or more	0.050	0.062	-0.099	0.054
	(0.23)	(0.28)	(0.49)	(0.13)
N employees spending some of time on payroll (ref: 1)				
0	-0.071	-0.060	-0.034	0.124
	(0.84)	(0.71)	(0.35)	(1.06)
2 or more	0.059	0.094	0.047	-0.090
	(0.62)	(0.98)	(0.43)	(0.54)
N tax credit recipients (ref: never had any)				

1 currently		0.815		
		(14.79)**		
2 or more currently		0.836		
		(11.15)**		
Don't know		-0.226		
		(0.48)		
1 in past, none now		0.764		
		(10.87)**		
2+ in past, none now		0.949		
		(5.91)**		
cut1	-1.134	-1.194		
	(6.89)**	(7.22)**		
cut2	-0.287	-0.362		
	(1.76)	(2.21)*		
cut3	0.568	0.475		
	(3.46)**	(2.89)**		
cut4	1.640	1.537		
	(9.63)**	(9.05)**		
Constant			-0.552	-0.175
			(2.83)**	(0.70)
Observations	6453	6453	6453	6453

**Appendix 2b: Information and advice (use of Inland Revenue information and advice on tax credits)**

	(1)	(2)	(3)	(4)	(5)
	N IR info channels	nirinfo N IR info channels	N IR info channels	High use of IR channels	Low use of IR channels
PVE status at interview (ref: never PVE)					
PVE	1.066			1.120	-1.093
	(17.46)**			(13.16)**	(15.12)**
Ex-PVE	1.028			1.096	-0.976
	(15.13)**			(11.04)**	(11.00)**
N tax credit recipients (ref: never had any)					
1 currently		0.929			
		(15.26)**			
2 currently		0.907			
		(11.36)**			
Don't know		-0.165			
		(0.45)			
1 in past none now		0.813			
		(10.91)**			
2+ in past none now		0.768			
		(5.75)**			
North East	-0.130	-0.086	-0.028	-0.058	0.048
	(1.28)	(0.86)	(0.22)	(0.41)	(0.36)
North	-0.295	-0.306	-0.121	-0.662	0.951
	(1.20)	(1.25)	(0.53)	(2.90)**	(4.50)**
Yorkshire and Humberside	-0.074	-0.046	0.032	0.012	0.164
	(0.63)	(0.41)	(0.30)	(0.08)	(1.12)
East Midlands	-0.082	-0.083	0.034	0.024	0.059
	(0.75)	(0.78)	(0.32)	(0.18)	(0.43)

West Midlands	-0.007	0.017	0.015	-0.082	0.056
	(0.06)	(0.17)	(0.13)	(0.51)	(0.39)
East Anglia	-0.132	-0.134	-0.317	-0.091	0.060
	(0.84)	(0.88)	(2.29)*	(0.42)	(0.30)
Eastern	-0.464	-0.412	-0.126	-0.456	0.478
	(2.91)**	(2.59)**	(0.72)	(2.62)**	(2.67)**
London	-0.236	-0.229	-0.213	-0.565	0.122
	(1.81)	(1.80)	(1.74)	(3.02)**	(0.71)
South East	-0.168	-0.145	-0.019	-0.096	0.153
	(1.47)	(1.28)	(0.15)	(0.66)	(1.07)
South West	-0.143	-0.137	-0.026	0.118	0.062
	(1.26)	(1.22)	(0.26)	(0.79)	(0.45)
Wales	0.020	0.060	-0.076	0.168	0.019
	(0.19)	(0.57)	(0.63)	(1.14)	(0.14)
Scotland	-0.201	-0.169	0.256	0.210	0.311
	(1.13)	(0.95)	(1.23)	(0.90)	(1.41)
Proprietor	0.093	0.095	0.289	0.043	-0.046
	(0.81)	(0.84)	(2.25)*	(0.28)	(0.32)
Partnership	0.168	0.186	0.090	0.184	-0.167
	(2.16)*	(2.44)*	(1.15)	(1.73)	(1.80)
Public organisation	0.319	0.287	-0.045	0.066	-0.270
	(1.26)	(1.16)	(0.25)	(0.22)	(0.74)
Non profit	0.217	0.201	-0.244	0.277	-0.278
	(1.43)	(1.37)	(1.69)	(1.37)	(1.51)
Less than 5 employees	0.125	0.058	0.049	0.056	-0.074
	(1.31)	(0.61)	(0.46)	(0.43)	(0.62)
5-9 employees	0.039	-0.011	0.002	-0.065	0.042
	(0.40)	(0.11)	(0.02)	(0.48)	(0.35)
10-19 employees	0.015	0.006	0.054	-0.153	-0.092
	(0.19)	(0.07)	(0.64)	(1.43)	(0.92)
50-99	0.077	0.070	0.043	0.048	-0.053

employees					
	(1.15)	(1.04)	(0.63)	(0.54)	(0.64)
100+ employees	0.095	0.061	0.099	0.107	-0.079
	(1.09)	(0.67)	(1.24)	(0.94)	(0.73)
5+ establishment	0.236	0.268	0.269	0.246	-0.212
	(2.24)*	(2.46)*	(2.95)**	(1.69)	(1.65)
2 PAYE units	0.230	0.168	-0.040	0.041	-0.109
	(2.08)*	(1.59)	(0.40)	(0.30)	(0.67)
Agriculture/Fisheries	0.041	0.080	0.210	0.324	0.051
	(0.18)	(0.35)	(1.10)	(1.20)	(0.21)
Manufacturing	0.006	0.027	0.146	0.074	0.026
	(0.08)	(0.33)	(1.73)	(0.68)	(0.25)
Construction	-0.099	-0.113	0.199	0.079	0.099
	(0.90)	(1.04)	(1.89)	(0.54)	(0.74)
Hotels/restaurants	0.180	0.208	0.093	0.208	-0.177
	(1.21)	(1.43)	(0.79)	(1.17)	(0.91)
Transport/Communication	-0.118	-0.151	0.016	-0.108	0.262
	(0.76)	(0.98)	(0.14)	(0.51)	(1.50)
Business Services	0.050	0.046	0.132	0.121	0.065
	(0.55)	(0.52)	(1.41)	(1.00)	(0.59)
Other services	0.020	0.027	0.110	0.034	-0.031
	(0.17)	(0.23)	(0.88)	(0.21)	(0.20)
% employees working <16 hours per week (ref: 1-50%)					
0%	-0.053	-0.062	0.088	-0.096	-0.068
	(0.75)	(0.88)	(1.29)	(1.02)	(0.78)
50% or more	0.197	0.172	0.165	0.259	-0.343

	(1.39)	(1.24)	(1.16)	(1.37)	(1.96)
Don't know	-0.135	-0.116	0.050	0.278	0.306
	(0.34)	(0.29)	(0.16)	(0.76)	(0.94)
% employees working 30+ hours (ref: 80% or more)					
0-79%	0.005	0.012	0.140	0.106	0.014
	(0.07)	(0.17)	(2.06)*	(1.06)	(0.16)
Don't know	0.106	0.094	-0.018	-0.334	0.280
	(0.25)	(0.21)	(0.06)	(1.08)	(0.98)
At least 10% employees from minority ethnic groups	0.284	0.273	-0.022	0.117	-0.369
	(2.77)**	(2.76)**	(0.28)	(0.91)	(2.62)**
% employees with health problem (ref: 1-4%)					
0%	0.066	0.064	-0.079	0.104	-0.020
	(0.68)	(0.65)	(0.74)	(0.91)	(0.17)
5% or more	0.219	0.193	0.082	0.275	-0.200
	(1.65)	(1.47)	(0.62)	(1.73)	(1.26)
Don't know	-0.031	0.078	0.059	0.201	0.011
	(0.20)	(0.48)	(0.40)	(1.15)	(0.06)
% part-time employees earning <£15k per annum (ref: <50%)					
50-99%	-0.358	-0.353	-0.058	-0.409	0.480
	(2.27)*	(2.29)*	(0.36)	(1.99)*	(2.49)*
100%	-0.082	-0.043	0.046	-0.247	0.100
	(0.78)	(0.40)	(0.43)	(1.90)	(0.76)
Don't know	-0.191	-0.224	-0.055	-0.299	-0.105
	(1.17)	(1.46)	(0.30)	(1.08)	(0.45)
% full-time employees					

earning <£15k per annum (ref: 30%+)					
0%	0.060	0.043	0.137	0.181	-0.232
	(0.65)	(0.47)	(1.49)	(1.44)	(2.03)*
1-9%	-0.073	-0.028	-0.114	0.156	-0.092
	(0.51)	(0.21)	(0.98)	(0.79)	(0.58)
10-29%	0.087	0.077	0.072	-0.102	-0.061
	(1.28)	(1.13)	(1.03)	(1.22)	(0.70)
Payroll arrangement (ref: internal only)					
External	-0.273	-0.260	-0.517	-0.396	0.124
	(2.50)*	(2.44)*	(5.53)**	(2.37)*	(0.91)
External and internal	-0.120	-0.106	-0.166	-0.088	0.121
	(1.58)	(1.40)	(2.09)*	(0.87)	(1.27)
Don't know	0.578	0.682	-1.242	1.335	-0.785
	(0.76)	(1.03)	(2.22)*	(1.80)	(1.02)
Payroll structure (ref: central payroll unit for whole organisation)					
Central payroll unit for reporting unit only	0.409	0.427	0.201	0.565	-0.444
	(3.78)**	(4.06)**	(2.12)*	(4.39)**	(3.42)**
2+ payroll units	-0.095	-0.134	-0.078	0.104	0.038
	(0.66)	(0.94)	(0.54)	(0.68)	(0.25)
Don't know	-0.616	-0.606	-0.647	-0.464	0.922
	(1.10)	(1.06)	(0.90)	(0.87)	(1.94)
Manual only	-0.198	-0.230	0.005	-0.228	0.286
	(2.69)**	(3.17)**	(0.06)	(2.21)*	(3.11)**

Mixture	-0.068	-0.033	0.178	0.130	-0.042
	(0.41)	(0.19)	(1.08)	(0.61)	(0.22)
Don't know	-0.663	-0.671	-0.274	-0.349	0.714
	(3.15)**	(3.31)**	(1.95)	(1.03)	(2.68)**
N employees working mainly on payroll (ref: 1)					
0	-0.308	-0.313	-0.330	-0.079	0.273
	(3.81)**	(3.93)**	(4.28)**	(0.80)	(2.75)**
2	0.292	0.296	0.232	0.411	-0.191
	(2.58)*	(2.60)**	(2.15)*	(3.11)**	(1.48)
3	0.362	0.366	0.382	0.416	-0.398
	(1.83)	(1.85)	(2.85)**	(2.30)*	(1.42)
N employees spending some of time on payroll (ref: 1)					
0	-0.215	-0.200	-0.215	-0.113	0.185
	(2.74)**	(2.60)**	(2.87)**	(1.15)	(1.88)
2 or more	-0.128	-0.077	0.019	-0.139	0.074
	(1.44)	(0.85)	(0.24)	(1.23)	(0.70)
Cut1	-0.134	-0.244	-1.100		
	(0.89)	(1.63)	(6.99)**		
Cut2	0.722	0.588	-0.233		
	(4.77)**	(3.91)**	(1.48)		
Cut3	1.350	1.198	0.391		
	(8.94)**	(7.98)**	(2.47)*		
Cut4	2.054	1.884	1.156		
	(13.24)**	(12.26)**	(7.30)**		
Cut5	2.984	2.805	2.063		
	(18.08)**	(17.15)**	(11.83)**		
Cut6	3.793	3.624	3.027		
	(19.64)**	(18.93)**	(15.59)**		
Constant				-1.627	0.749
				(8.66)**	(4.10)**

Obs	6453	6453	4630	6453	6453
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**Appendix 3: Administering tax credits (Ease with which pay tax credits through payroll)**

	(1)	(2)	(3)	(4)	(5)	(6)
	Ordered ease of payment scale	Very easy	Very/quite difficult	Ordered ease of payment scale	Very easy	Very/quite difficult
North East	-0.064	0.047	0.472	0.104	0.189	0.313
	(0.46)	(0.30)	(2.61)**	(0.73)	(1.20)	(1.59)
North	0.310	0.410	0.055	0.385	0.479	-0.138
	(0.97)	(1.24)	(0.14)	(1.21)	(1.36)	(0.37)
Yorkshire and Humberside	-0.126	-0.120	0.181	-0.101	-0.106	0.156
	(1.14)	(0.90)	(1.26)	(0.90)	(0.79)	(0.99)
East Midlands	0.062	0.030	-0.192	0.098	0.058	-0.285
	(0.53)	(0.21)	(1.08)	(0.82)	(0.41)	(1.40)
West Midlands	-0.037	-0.043	-0.035	-0.078	-0.059	0.007
	(0.26)	(0.27)	(0.16)	(0.55)	(0.38)	(0.03)
East Anglia	0.139	0.266	0.353	0.140	0.266	0.481
	(0.80)	(1.58)	(1.52)	(0.88)	(1.68)	(2.15)*
Eastern	0.057	0.066	-0.078	-0.028	0.002	0.050
	(0.34)	(0.35)	(0.36)	(0.16)	(0.01)	(0.19)
London	-0.168	-0.150	0.288	-0.262	-0.195	0.585
	(1.19)	(0.93)	(1.43)	(1.79)	(1.20)	(2.59)**
South East	0.089	0.066	-0.121	0.062	0.068	0.009
	(0.75)	(0.47)	(0.74)	(0.47)	(0.45)	(0.05)
South West	0.155	0.175	-0.035	0.173	0.199	-0.073
	(1.30)	(1.26)	(0.22)	(1.42)	(1.39)	(0.43)
Wales	-0.103	-0.080	0.221	-0.088	-0.067	0.266
	(0.83)	(0.57)	(1.26)	(0.67)	(0.46)	(1.26)
Scotland	0.306	0.365	-0.080	0.373	0.391	-0.204
	(1.60)	(1.63)	(0.38)	(1.78)	(1.67)	(0.88)
Proprietor	-0.367	-0.515	-0.054	-0.213	-0.388	-0.309
	(2.80)**	(3.13)**	(0.33)	(1.52)	(2.22)*	(1.59)
Partnership	-0.269	-0.315	0.141	-0.175	-0.240	-0.014
	(3.16)**	(3.27)**	(1.25)	(1.96)	(2.38)*	(0.11)

Public organisation	0.120	0.141	-0.130	0.136	0.163	-0.131
	(0.54)	(0.57)	(0.36)	(0.56)	(0.62)	(0.35)
Non Profit	-0.103	-0.220	-0.228	-0.152	-0.266	-0.211
	(0.72)	(1.31)	(1.11)	(1.01)	(1.51)	(0.95)
5-9 employees	0.029	0.111	0.111	0.014	0.088	0.107
	(0.27)	(0.84)	(0.91)	(0.12)	(0.64)	(0.83)
10-19 employees	0.161	0.155	-0.203	0.125	0.121	-0.208
	(1.39)	(1.17)	(1.28)	(1.05)	(0.89)	(1.29)
20-49 employees	0.115	0.102	-0.191	0.067	0.065	-0.138
	(1.13)	(0.80)	(1.56)	(0.62)	(0.50)	(1.03)
50-99 employees	0.197	0.217	-0.151	0.166	0.188	-0.136
	(1.75)	(1.59)	(0.99)	(1.42)	(1.35)	(0.83)
100+ employees	0.268	0.307	-0.249	0.195	0.255	-0.094
	(2.08)*	(2.01)*	(1.27)	(1.48)	(1.63)	(0.46)
5+ establishments	-0.032	-0.078	-0.065	-0.029	-0.091	-0.137
	(0.33)	(0.70)	(0.38)	(0.29)	(0.78)	(0.71)
2 PAYE units	-0.029	-0.090	-0.217	-0.015	-0.087	-0.319
	(0.30)	(0.75)	(1.15)	(0.15)	(0.70)	(1.66)
Agriculture/Fisheries	-0.340	-0.544	-0.072	-0.404	-0.614	-0.087
	(2.29)*	(2.43)*	(0.32)	(2.55)*	(2.67)**	(0.31)
Manufacturing	0.110	0.053	-0.364	0.102	0.049	-0.430
	(1.32)	(0.52)	(3.30)**	(1.12)	(0.45)	(3.33)**
Construction	0.082	0.013	-0.348	0.022	-0.037	-0.336
	(0.69)	(0.09)	(1.88)	(0.18)	(0.26)	(1.76)
Hotels/restaurants	0.034	0.159	0.132	0.097	0.189	-0.006
	(0.21)	(0.93)	(0.81)	(0.64)	(1.11)	(0.04)
Transport/communication	0.288	0.270	-0.303	0.238	0.237	-0.140
	(1.78)	(1.52)	(1.29)	(1.48)	(1.36)	(0.54)
Business services	0.142	0.217	0.024	0.114	0.194	0.055
	(1.20)	(1.84)	(0.15)	(1.00)	(1.64)	(0.36)

Other services	0.147	0.106	-0.312	0.121	0.085	-0.339
	(1.24)	(0.73)	(1.96)	(0.91)	(0.53)	(2.13)*
% employees working <16 hours per week (ref: 1-50%)						
0%	-0.004	0.016	0.084	-0.002	0.016	0.039
	(0.05)	(0.19)	(0.80)	(0.03)	(0.19)	(0.34)
50 or more	-0.041	-0.059	-0.051	-0.077	-0.083	0.006
	(0.29)	(0.35)	(0.29)	(0.52)	(0.47)	(0.03)
Don't know	-0.024	0.017	0.668	-0.061	-0.032	0.929
	(0.07)	(0.04)	(1.91)	(0.16)	(0.08)	(2.24)*
% employees working 30+ hours (ref: 80% or more)						
0-79%	-0.066	-0.043	0.139	0.020	0.021	-0.021
	(0.88)	(0.48)	(1.38)	(0.26)	(0.24)	(0.18)
Don't know	-0.045	-0.033	0.052	0.182	0.154	-0.348
	(0.15)	(0.10)	(0.11)	(0.57)	(0.45)	(0.77)
At least 10% employees from minority ethnic groups	-0.074	-0.072	0.137	-0.024	-0.019	0.063
	(0.76)	(0.66)	(0.87)	(0.24)	(0.17)	(0.37)
% employees with health problem (ref: 1-4%)						
0%	0.174	0.229	-0.020	0.133	0.193	0.114
	(1.78)	(1.89)	(0.13)	(1.30)	(1.53)	(0.64)
5%	-0.065	0.015	0.374	0.002	0.069	0.369
	(0.50)	(0.09)	(1.96)	(0.01)	(0.42)	(1.75)
Don't know	0.098	0.095	-0.234	0.127	0.101	-0.334
	(0.66)	(0.51)	(1.05)	(0.76)	(0.52)	(1.41)
% part-time employees earning <£15k per annum (ref: <50%)						

50-99	-0.102	-0.040	0.233	-0.104	-0.037	0.258
	(0.64)	(0.21)	(1.19)	(0.64)	(0.19)	(1.22)
100+	-0.036	-0.005	0.144	-0.025	0.019	0.159
	(0.34)	(0.04)	(1.04)	(0.23)	(0.15)	(1.08)
Don't know	-0.008	-0.014	-0.432	-0.029	-0.014	-0.498
	(0.03)	(0.05)	(1.77)	(0.11)	(0.05)	(1.74)
% full-time employees earning <£15k per annum (ref: 30%+)						
0%	-0.097	-0.050	0.243	-0.081	-0.038	0.189
	(0.86)	(0.37)	(1.76)	(0.70)	(0.28)	(1.24)
1-9%	0.036	0.015	-0.126	0.015	-0.013	-0.145
	(0.29)	(0.10)	(0.64)	(0.11)	(0.09)	(0.62)
10-29%	0.016	0.040	0.102	0.009	0.026	0.074
	(0.20)	(0.46)	(0.95)	(0.11)	(0.28)	(0.67)
Payroll arrangement (ref: internal only)						
External	-0.118	-0.149	0.077	-0.053	-0.100	-0.016
	(1.10)	(1.17)	(0.53)	(0.46)	(0.74)	(0.11)
External and internal	-0.119	-0.166	-0.012	-0.134	-0.175	0.010
	(1.47)	(1.70)	(0.11)	(1.62)	(1.77)	(0.08)
Payroll structure (ref: central payroll unit for whole organisation)						
Central payroll unit for reporting unit only	-0.043	-0.009	0.140	-0.007	0.022	0.105
	(0.40)	(0.08)	(0.91)	(0.06)	(0.19)	(0.71)
2+ payroll units	-0.086	-0.102	-0.034	-0.114	-0.120	-0.002
	(0.66)	(0.63)	(0.16)	(0.89)	(0.75)	(0.01)
Don't know	-0.382	-0.466	0.458	-0.198	-0.346	0.264

	(0.68)	(0.64)	(0.62)	(0.52)	(0.57)	(0.43)
Payroll technology (ref: computer only)						
Manual only	-0.116	-0.084	0.237	-0.124	-0.095	0.229
	(1.52)	(0.92)	(2.37)*	(1.56)	(1.01)	(2.03)*
Mixture	-0.266	-0.283	0.359	-0.268	-0.271	0.411
	(1.37)	(1.23)	(1.31)	(1.44)	(1.22)	(1.53)
Don't know	0.023	0.137	0.181	0.078	0.202	0.144
	(0.12)	(0.64)	(0.72)	(0.42)	(0.98)	(0.52)
N employees working mainly on payroll (ref: 1)						
0	-0.107	-0.066	0.229	-0.106	-0.058	0.264
	(1.25)	(0.68)	(1.74)	(1.22)	(0.58)	(1.92)
2	-0.000	-0.017	-0.007	-0.013	-0.033	-0.009
	(0.00)	(0.14)	(0.05)	(0.13)	(0.27)	(0.05)
3 or more	-0.091	-0.058	0.325	0.060	0.052	0.159
	(0.56)	(0.34)	(1.27)	(0.40)	(0.33)	(0.60)
N employees spending some of time on payroll (ref: 1)						
0	0.062	0.097	0.044	0.071	0.103	0.040
	(0.74)	(1.02)	(0.35)	(0.87)	(1.08)	(0.32)
2 or more	0.081	0.064	-0.074	0.080	0.054	-0.099
	(0.86)	(0.59)	(0.55)	(0.82)	(0.47)	(0.71)
subchi				-0.684	-0.678	0.757
				(8.65)**	(7.16)**	(7.39)**
hiimpact				-0.618	-0.307	0.982
				(5.38)**	(2.41)*	(8.67)**
cut1:Constant	-2.130			-2.603		
	(11.23)**			(13.30)**		
cut2:Constant	-1.416			-1.767		
	(7.80)**			(9.57)**		
cut3:Constant	0.198			0.008		

	(1.06)			(0.04)		
Constant		-0.295	-1.781		-0.128	-2.276
		(1.37)	(6.48)**		(0.59)	(7.57)**
Observations	4548	4548	4548	4548	4548	4548

### Appendix 3b: Administering Tax Credits (Satisfaction with the Inland Revenue service on tax credits)

	(1)	(2)	(3)
	Ordered satisfaction scale	Very or quite satisfied	Very dissatisfied, quite dissatisfied or neither sat/dissat
No use	-0.242	-0.181	0.314
	(2.11)*	(1.21)	(2.26)*
IR user	0.094	0.099	-0.175
	(1.46)	(1.18)	(2.19)*
Information Pack user	0.194	0.179	-0.206
	(2.29)*	(1.72)	(2.07)*
Helpline user	0.076	0.118	-0.112
	(1.15)	(1.43)	(1.39)
Seminar user	0.273	0.258	-0.282
	(2.68)**	(2.15)*	(2.11)*
Website user	-0.030	-0.196	-0.194
	(0.41)	(2.05)*	(1.89)
Video user	0.074	0.049	-0.151
	(0.88)	(0.44)	(1.40)
Other user	0.044	0.027	-0.031
	(0.55)	(0.28)	(0.31)
North East	-0.168	-0.036	0.141
	(1.29)	(0.22)	(0.88)
North	0.506	0.764	-0.402
	(1.38)	(2.31)*	(1.12)
Yorkshire and Humberside	-0.011	0.060	0.052
	(0.10)	(0.43)	(0.38)
East Midlands	0.220	0.240	-0.243
	(1.99)*	(1.65)	(1.64)
West Midlands	0.127	0.226	0.016
	(0.93)	(1.43)	(0.10)
East Anglia	0.044	0.154	0.104
	(0.31)	(0.93)	(0.52)

Eastern	-0.012	-0.007	0.099
	(0.08)	(0.04)	(0.46)
London	0.182	0.282	-0.117
	(1.42)	(1.74)	(0.71)
South East	0.196	0.217	-0.174
	(1.77)	(1.41)	(1.24)
South West	0.177	0.219	-0.146
	(1.60)	(1.53)	(0.99)
Wales	0.249	0.265	-0.282
	(2.15)*	(1.75)	(1.79)
Scotland	0.539	0.704	-0.278
	(2.79)**	(3.22)**	(1.12)
Proprietor	0.086	0.093	-0.208
	(0.65)	(0.59)	(1.37)
Partnership	0.038	-0.021	-0.118
	(0.48)	(0.20)	(1.13)
Public organisation	-0.129	-0.117	0.179
	(0.78)	(0.48)	(0.77)
Non profit	0.063	0.009	-0.193
	(0.48)	(0.05)	(1.10)
Less than 5 employees	0.093	0.064	-0.137
	(0.93)	(0.52)	(1.10)
5-9 employees	-0.086	-0.042	0.151
	(0.82)	(0.31)	(1.12)
10-19 employees	0.167	0.147	-0.216
	(1.91)	(1.39)	(1.90)
50-99 employees	0.060	0.042	-0.112
	(0.85)	(0.44)	(1.17)
100+ employees	0.040	0.024	-0.071
	(0.49)	(0.22)	(0.62)
5+ establishments	-0.120	-0.211	0.100
	(1.55)	(1.83)	(0.87)
2 PAYE units	0.092	0.097	-0.079
	(0.90)	(0.77)	(0.56)

Agriculture/Fisheries	-0.261	0.096	0.712
	(1.24)	(0.39)	(3.28)**
Manufacturing	0.009	-0.007	0.023
	(0.11)	(0.07)	(0.21)
Construction	-0.199	0.016	0.346
	(1.52)	(0.11)	(2.31)*
Hotel/Restaurants	0.098	0.253	0.072
	(0.67)	(1.34)	(0.47)
Transport/communication	0.108	0.257	-0.007
	(0.54)	(1.31)	(0.03)
Business services	-0.104	0.002	0.178
	(0.99)	(0.02)	(1.39)
Other services	0.080	0.116	-0.069
	(0.75)	(0.79)	(0.49)
% employees working <16 hours per week (ref: 1-50%)			
0%	-0.068	-0.106	0.044
	(0.98)	(1.24)	(0.49)
50% or more	0.093	0.029	-0.330
	(0.72)	(0.18)	(2.03)*
Don't know	0.599	0.833	-0.328
	(1.38)	(1.72)	(0.62)
% employees working 30+ hours (ref: 80% or more)			
0-79%	-0.080	-0.141	0.041
	(1.15)	(1.58)	(0.44)
Don't know	-0.724	-1.213	0.398
	(1.75)	(2.95)**	(0.78)
At least 10% employees from minority ethnic groups	-0.213	-0.187	0.142
	(2.26)*	(1.78)	(1.21)
% employees with health problem (ref:			

1-4%)			
0	0.211	0.270	-0.189
	(2.48)*	(2.13)*	(1.60)
5% or more	0.094	0.278	0.046
	(0.77)	(1.70)	(0.29)
Don't know	0.021	-0.035	-0.163
	(0.14)	(0.21)	(0.74)
% part-time employees earning <£15k per annum (ref: <50%)			
50-99%	-0.026	0.016	0.123
	(0.18)	(0.08)	(0.70)
100%	-0.142	-0.153	0.196
	(1.61)	(1.37)	(1.54)
Don't know	-0.202	-0.300	0.158
	(1.11)	(0.91)	(0.66)
% full-time employees earning <£15k per annum (ref: 30%+)			
0	-0.142	-0.132	0.195
	(1.27)	(0.96)	(1.39)
1-9	-0.451	-0.326	0.548
	(3.39)**	(2.19)*	(3.68)**
10-29	0.012	-0.067	-0.052
	(0.19)	(0.77)	(0.58)
Payroll arrangement (ref: internal only)			
External	-0.082	-0.164	0.016
	(0.79)	(1.17)	(0.12)
External and internal	-0.005	-0.135	-0.136
	(0.07)	(1.35)	(1.39)
Payroll structure (ref: central payroll unit for whole organisation)			
Central payroll unit	-0.116	0.006	0.213

for reporting unit only			
	(1.12)	(0.05)	(1.75)
2+ payroll units	-0.152	-0.175	0.123
	(1.26)	(0.99)	(0.70)
Don't know	-0.768	0.119	0.893
	(0.97)	(0.16)	(1.39)
Payroll technology (ref: computer only)			
Manual only	0.057	0.047	-0.108
	(0.76)	(0.49)	(1.11)
Mixture	0.157	0.085	-0.181
	(0.83)	(0.36)	(0.77)
Don't know	-0.366	0.065	0.575
	(1.88)	(0.26)	(2.82)**
N employees working mainly on payroll (ref: 1)			
0	-0.074	0.073	0.173
	(0.96)	(0.76)	(1.67)
2	0.228	0.288	-0.147
	(2.15)*	(2.33)*	(1.11)
3 or more	0.100	0.114	-0.036
	(0.83)	(0.80)	(0.19)
N employees spending some of time on payroll (ref: 1)			
0	-0.061	0.012	0.117
	(0.84)	(0.12)	(1.17)
2 or more	0.056	0.126	0.072
	(0.58)	(1.08)	(0.63)
cut1	-1.969		
	(10.45)**		
cut2	-1.566		
	(8.35)**		
cut3	-0.368		

	(2.03)*		
cut4	1.065		
	(5.75)**		
Constant		-1.229	-0.398
		(5.37)**	(1.73)
Observations	4548	4548	4548

**Appendix 4: Payroll Costs and PVE (Ordinary Least Squares models estimating payroll costs per employee)**

	(1) Costs of staff working mainly on payroll	(2) Costs of staff working partly on payroll	(3) Costs of specialist software	4) Costs of external body	(5) Total costs of payroll
	lnstcs1r	lnstcs4r	lncost2r	lnextcr	lntcostr
<i>PVE status (ref: never)</i>					
PVE	-0.147	0.032	-0.247	-0.546	-0.176
	(2.02)*	(0.33)	(2.65)**	(4.24)**	(0.99)
ex-PVE	-0.228	0.053	-0.009	-0.519	-0.134
	(2.49)*	(0.42)	(0.08)	(3.11)**	(0.58)
<i>Region (ref: North West)</i>					
North East	0.149	0.274	0.321	0.166	-0.539
	(1.05)	(1.34)	(2.49)*	(0.84)	(1.25)
North	-0.340	-0.645	-0.134	-0.763	-1.746
	(1.52)	(2.51)*	(0.72)	(4.15)**	(1.23)
Yorkshire/Humberside	0.056	0.050	0.050	-0.101	-0.161
	(0.41)	(0.23)	(0.33)	(0.43)	(0.34)
East Midlands	-0.156	0.046	0.129	-0.132	-0.792
	(1.26)	(0.29)	(0.98)	(0.86)	(1.74)
West Midlands	0.151	0.098	0.245	0.483	-0.116
	(1.02)	(0.51)	(1.76)	(2.17)*	(0.27)
East Anglia	-0.143	0.044	0.118	-0.579	0.088
	(0.58)	(0.23)	(0.68)	(2.27)*	(0.22)
Eastern	0.370	0.332	0.299	0.068	0.731
	(1.91)	(1.53)	(2.16)*	(0.34)	(1.26)
London	0.192	0.600	0.643	0.394	-0.683
	(1.13)	(2.75)**	(2.16)*	(1.70)	(1.27)
South East	-0.040	0.001	0.148	-0.241	-0.101
	(0.25)	(0.01)	(1.28)	(1.44)	(0.25)
South West	0.076	-0.004	0.096	0.021	-0.317
	(0.60)	(0.02)	(0.82)	(0.09)	(0.69)
Wales	-0.054	0.144	0.182	0.182	0.038

	(0.40)	(0.84)	(1.16)	(0.93)	(0.10)
Scotland	0.534	0.421	0.103	0.568	0.677
	(2.42)*	(1.94)	(0.54)	(3.06)**	(1.27)
<i>Organisation type (ref: company)</i>					
Proprietor	-0.289	0.367	0.654	-0.133	0.468
	(2.08)*	(2.09)*	(2.39)*	(0.62)	(1.00)
Partnership	-0.028	0.050	-0.225	-0.356	-0.501
	(0.29)	(0.38)	(2.18)*	(1.93)	(1.57)
Public	0.548	0.092	0.047	0.609	1.120
	(2.12)*	(0.27)	(0.20)	(2.35)*	(1.88)
Non-profit	-0.002	-0.888	-0.326	-0.111	-2.839
	(0.01)	(2.81)**	(1.27)	(0.44)	(4.25)**
<i>Annual turnover (ref: £200-499k)</i>					
<£50k	0.463	0.545	1.015	0.444	-0.159
	(2.42)*	(2.21)*	(2.78)**	(1.60)	(0.21)
£50-99k	0.460	-0.246	-0.076	0.670	-0.510
	(3.27)**	(1.30)	(0.50)	(4.49)**	(0.96)
£100-199k	0.300	0.078	0.279	0.104	-0.265
	(2.62)**	(0.50)	(1.91)	(0.61)	(0.68)
£500-999k	-0.162	-0.299	-0.606	0.047	0.286
	(1.39)	(1.98)*	(5.78)**	(0.30)	(1.01)
£1000-2999k	-0.308	-0.363	-0.678	-0.680	0.096
	(2.76)**	(2.17)*	(4.58)**	(3.98)**	(0.37)
£3000-9999k	-0.278	-0.257	-0.749	-0.907	0.089
	(2.06)*	(1.86)	(6.12)**	(5.72)**	(0.27)
£10000-29999k	-0.486	-0.732	-1.204	-1.224	0.339
	(3.50)**	(4.16)**	(10.84)**	(4.91)**	(0.91)
£30000k	-0.999	-1.151	-0.858	-1.172	-0.467
	(6.64)**	(5.30)**	(5.80)**	(6.27)**	(0.92)
<i>5+ workplaces</i>	-0.370	-0.424	-0.493	-0.050	0.003
	(3.01)**	(3.11)**	(5.17)**	(0.21)	(0.01)
<i>2+ PAYE codes</i>	-0.488	-0.077	-0.425	-0.336	-0.651
	(4.28)**	(0.58)	(2.89)**	(1.98)*	(1.04)

<i>Industry (ref: wholesale/retail)</i>					
Agriculture, Fishing, Mining	0.246	0.226	0.382	-0.100	0.266
	(2.21)*	(1.85)	(1.91)	(0.36)	(0.37)
Manufacturing	0.380	0.056	0.013	0.375	0.133
	(3.98)**	(0.45)	(0.14)	(2.80)**	(0.41)
Construction	0.804	-0.059	0.010	0.151	0.447
	(6.80)**	(0.35)	(0.08)	(0.76)	(1.05)
Hotels and restaurants	-0.213	-0.355	-0.670	0.130	-0.092
	(0.87)	(1.39)	(3.88)**	(0.59)	(0.15)
Transport and Communication	-0.019	-0.104	-0.097	-0.288	0.002
	(0.10)	(0.53)	(0.66)	(1.54)	(0.00)
Business	0.130	-0.166	0.030	0.005	0.207
	(1.16)	(1.14)	(0.25)	(0.03)	(0.58)
Other services	-0.260	-0.032	-0.409	-0.101	0.261
	(1.48)	(0.15)	(1.53)	(0.42)	(0.65)
<i>Payroll arrangements (Ref: internal)</i>					
External body	-0.255	-0.396		0.424	3.295
	(1.59)	(2.55)*		(0.81)	(8.30)**
External and internal	-0.096	-0.207	-0.004	-0.144	3.317
	(0.99)	(1.77)	(0.03)	(0.28)	(13.68)**
Don't know	1.510				3.016
	(4.59)**				(4.50)**
<i>Number of employees working mainly on payroll (Ref: 1)</i>					
No employees		0.674			-0.089
		(5.01)**			(0.35)
2+ employees		0.101			
		(0.36)			
2 employees	0.446				0.022
	(5.17)**				(0.05)
3+ employees	1.358				1.258

	(4.81)**				(2.03)*
Don't know					-5.291
					(2.80)**
<i>Number of employees working partly on payroll (Ref: 1)</i>					
No employees	-0.224				
	(2.09)*				
2+ employees	-0.276	0.522			
	(2.19)*	(4.62)**			
Don't know	-1.246				
	(7.27)**				
<i>Payroll technology (Ref: specialist software)</i>					
Manual system					-1.973
					(7.98)**
Mix of manual and specialist software					0.113
					(0.32)
Don't know					-2.026
					(3.23)**
<i>Payroll technology (Ref: manual/mixture)</i>					
Specialist software			-0.196		
			(1.35)		
<i>Site location (Ref: UK only)</i>					
Foreign					-1.056
					(1.47)
Don't know					1.502
					(1.22)
<i>Ownership (Ref: independent)</i>					
Owned by others					0.519
					(1.17)
Don't know					0.358
					(0.43)

<i>Ownership change (Ref: none)</i>					
Recent change in ownership					-0.306
					(0.78)
Don't know					1.309
					(2.04)*
<i>% employees working &lt;16 hours (Ref: 1-49%)</i>					
None					-0.075
					(0.29)
50%+					-0.804
					(1.40)
Don't know					0.800
					(0.86)
<i>% employees working 30+ hours (Ref: 80%+)</i>					
0-79%					0.114
					(0.36)
Don't know					-2.748
					(1.30)
<i>10%+ employees non-white</i>					-0.128
					(0.28)
<i>% employees with health problem (Ref: 1-4%)</i>					
None					0.218
					(0.87)
5%+					0.646
					(1.81)
Don't know					0.063
					(0.07)
<i>% part-timers earning &lt;£15,000 per annum (Ref: &lt;50%)</i>					
50-99%					1.112
					(1.86)

100%					-0.387
					(1.03)
Don't know					1.297
					(3.29)**
<i>% full-timers earning &lt;£15,000 per annum (Ref: 30%+)</i>					
None					0.422
					(1.23)
1-9%					0.376
					(1.04)
10-29%					0.779
					(3.55)**
<i>Payroll structure (Ref: 1 payroll unit for reporting unit only)</i>					
1 payroll unit for whole organisation					0.414
					(1.01)
Payroll dealt with by more than one payroll unit					-0.229
					(0.38)
<i>Staff hours on payroll</i>					0.044
					(1.49)
<i>Staff hours missing</i>					-0.591
					(0.59)
<i>Cost value originally missing</i>					-2.401
					(8.43)**
Constant	4.563	3.378	3.430	4.860	4.176
	(24.98)**	(16.12)**	(18.07)**	(8.90)**	(8.28)**
Observations	4021	2797	2854	1812	6158
R-squared	0.20	0.22	0.32	0.34	0.24

## Notes to Section 6 of report

### **Table 6.5: Mean costs of employing those working mainly on payroll, expressed as annual costs (£) per employee on payroll**

(1) confined to employers with at least one employee working mainly on payroll and with costs greater than zero and less than £5,000 per employee (2) Imputations are derived from an ordinary least squares model estimating the log of costs of staff working mainly on payroll standardised by the number of employees on payroll.  $R^2=0.16$ ,  $N=3,076$ . The model includes PVE status, region, industry, legal status of the organisation (company, partnership etc.), turnover, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, the number of employees employed mainly on payroll, and the number of employees working partly on payroll.

### **Table 6.6: Mean costs of employing those working partly on payroll, expressed as annual costs (£) per employee on payroll**

(1) confined to employers with at least one employee working partly on payroll and with costs greater than zero and less than £5,000 per employee (2) Imputations are derived from an ordinary least squares model estimating the log of costs of staff working partly on payroll standardised by the number of employees on payroll.  $R^2=0.20$ ,  $N=2,161$ . The model includes PVE status, region, industry, legal status of the organisation (company, partnership etc.), turnover, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, the number of employees employed mainly on payroll, and the number of employees working partly on payroll.

### **Table 6.7: Mean cost of specialist software for payroll, expressed as annual costs (£) per employee on payroll**

(1) confined to employers with specialist software for payroll with software costs greater than zero and less than £1,000 per employee. This resulted in the exclusion of six cases. (2) Imputations are derived from an ordinary least squares model estimating the log of specialist software costs.  $R^2=0.28$ ,  $N=1,984$ . The model includes PVE status, region, industry, legal status of the organisation (company, partnership etc.), turnover, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, whether rely exclusively on specialist software or a mix of manual procedures/non-dedicated software/specialist software.

**Table 6.8: Mean cost of contracting some or all of the payroll function to an external body, expressed as annual costs (£) per employee on payroll**

(1) confined to employers using an external body to perform some or all of the payroll function with contracting costs greater than zero and less than £5,000 per employee (2) Imputations are derived from an ordinary least squares model estimating the log of external payroll costs.  $R^2=0.25$ ,  $N=1,226$ . The model includes PVE status, region, industry, legal status of the organisation (company, partnership etc.), turnover, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation.

**Table 6.10: Difference in total payroll costs by PVE status, expressed as a percentage difference in annual costs (£) per employee on payroll**

(1) confined to employers with costs less than £5,000 per employee (2) The PVE effect is estimated using Ordinary Least Squares estimation of the log of total costs of payroll per employee.  $R^2=0.25$ ,  $N=6,157$ . The t-statistics are 0.09 for the PVE coefficient and 0.51 for the ex-PVE coefficient. (3) The model includes PVE status, region, industry, ownership (foreign or UK), changes in ownership, legal status of the organisation (company, partnership etc.), turnover, number of establishments, number of PAYE codes, number of payroll units dealing with payroll for the reporting unit, whether payroll is wholly or partly contracted to an outside organisation, whether uses dedicated software, manual handling of payroll, or a mixture, the number of employees employed mainly on payroll, number of hours worked by payroll staff, percent employees working less than 16 hours per week, percent employees working 30+ hours per week, percent workforce of non-white ethnic origin, percent employees with health problems, percent part-timers earning below £15,000 per annum, percent full-timers earning below £15,000 per annum, whether costs imputed.

## Appendix 5: Direct Costs of PVE (Ordinary Least Squares models for Direct PVE-related costs)

	(1) Staff hours on PVE	(2) Fixed costs of PVE	(3) Total PVE related costs (with imputations)	(4) Total PVE related costs (without imputations)	(5) Total PVE related costs (with imputations) excluding those cases with no experience of running PVE
	lpvehrr	lpvefixr	lpvetotr	lpvetot	lpvetotr
<i>PVE status (Ref: never PVE, except model 5 where ref. is 1 TC recipient currently employed)</i>					
No current TC recipients, but 1 at time of data download	1.580	0.887	1.485	-0.045	-1.044
	(8.39)**	(3.65)**	(5.09)**	(0.25)	(4.08)**
No current TC recipients, but 2+ at time of data download	2.041	1.755	1.834	0.232	-0.211
	(5.60)**	(2.60)**	(4.27)**	(0.58)	(0.51)
1 TC recipient currently	2.092	1.362	2.085	-0.119	
	(12.17)**	(4.84)**	(7.00)**	(0.89)	
2+ TC recipients currently	2.026	1.844	2.106	0.404	0.386
	(9.79)**	(5.52)**	(6.55)**	(2.54)*	(2.25)*
Don't know how many TC recipients currently	-0.176	-0.320	0.464	1.743	-0.919
	(0.72)	(0.70)	(1.07)	(3.52)**	(1.12)
<i>Region (Ref: North West)</i>					
North East	-0.088	-0.227	-0.401	0.185	-0.547
	(0.49)	(1.07)	(1.63)	(0.80)	(1.37)
North	-0.509	1.371	1.698	1.138	0.302
	(2.67)**	(1.08)	(1.34)	(2.18)*	(0.45)
Yorks and Humberside	0.114	0.101	0.290	0.130	0.393
	(0.51)	(0.44)	(1.20)	(0.79)	(1.37)

East Midlands	-0.151	-0.156	-0.280	0.098	-0.320
	(0.93)	(0.84)	(1.29)	(0.52)	(0.96)
West Midlands	-0.080	0.092	-0.136	0.202	-0.003
	(0.38)	(0.37)	(0.56)	(1.13)	(0.01)
East Anglia	0.489	-0.277	0.475	0.086	-0.272
	(1.48)	(1.40)	(1.15)	(0.41)	(0.59)
Eastern	0.205	-0.278	0.137	-0.414	-0.512
	(0.76)	(1.53)	(0.38)	(1.35)	(1.13)
London	-0.287	-0.229	-0.052	0.286	0.597
	(1.43)	(1.11)	(0.21)	(1.61)	(1.84)
South East	-0.221	-0.107	-0.168	0.079	-0.071
	(1.23)	(0.57)	(0.77)	(0.48)	(0.27)
South West	-0.017	-0.267	-0.113	0.228	-0.352
	(0.09)	(1.40)	(0.54)	(1.14)	(1.23)
Wales	0.301	-0.098	0.501	-0.045	0.617
	(1.64)	(0.49)	(2.19)*	(0.21)	(2.02)*
Scotland	-0.624	-0.334	-0.447	-0.253	-0.307
	(4.20)**	(1.64)	(2.54)*	(1.20)	(0.71)
<i>Organisation type (Ref: company)</i>					
Proprietor	0.096	0.314	-0.031	-0.343	-0.462
	(0.46)	(1.22)	(0.13)	(1.74)	(1.36)
Partnership	-0.036	0.380	-0.141	-0.060	-0.084
	(0.31)	(2.42)*	(0.92)	(0.49)	(0.35)
Public	-0.787	0.193	-0.305	0.473	0.418
	(2.91)**	(0.62)	(0.58)	(2.10)*	(0.54)
Non-profit	-0.236	-0.011	-0.422	0.077	-0.492
	(1.15)	(0.05)	(1.72)	(0.38)	(1.29)
<i>Employment size (Ref: 20-49 employees)</i>					
Under 5	-0.030	-0.135	-0.283	0.076	-0.124
	(0.18)	(0.60)	(1.26)	(0.48)	(0.52)
5-9	-0.210	-0.437	-0.612	-0.135	-0.498
	(1.32)	(1.90)	(2.62)**	(0.88)	(1.50)
10-19	-0.017	-0.221	-0.162	-0.053	0.124

	(0.11)	(1.08)	(0.75)	(0.39)	(0.56)
50-99	0.178	-0.020	0.283	0.227	0.166
	(1.27)	(0.08)	(1.43)	(1.94)	(0.93)
100+	0.122	-0.065	0.379	0.277	0.062
	(0.67)	(0.18)	(1.46)	(1.89)	(0.27)
<i>5+ establishments</i>	0.209	-0.345	0.113	-0.087	-0.061
	(0.76)	(1.25)	(0.30)	(0.47)	(0.26)
<i>2+ PAYE codes</i>	-0.263	-0.323	-0.109	-0.227	-0.462
	(1.24)	(1.60)	(0.34)	(1.76)	(1.70)
<i>Industry (Ref: Wholesale/retail)</i>					
Agriculture and Fisheries			-0.637	-0.626	-0.033
			(1.78)	(3.10)**	(0.05)
Mining			-0.120	-0.078	0.344
			(0.20)	(0.18)	(0.63)
Agriculture, Fish and Mining	-0.042	-0.232			
	(0.22)	(0.67)			
Manufacturing	-0.116	-0.007	-0.162	-0.362	0.008
	(0.78)	(0.05)	(0.92)	(2.80)**	(0.03)
Construction	-0.201	0.007	-0.303	0.112	0.302
	(1.56)	(0.03)	(1.72)	(0.52)	(0.96)
Hotels/Restaurants	0.291	0.589	0.008	-0.180	0.175
	(1.31)	(1.26)	(0.03)	(0.90)	(0.52)
Transport and Communication	-0.352	-0.203	-0.129	-0.140	0.307
	(2.31)*	(1.26)	(0.58)	(0.70)	(0.85)
Business	0.186	0.059	0.311	0.131	0.425
	(1.12)	(0.33)	(1.52)	(0.93)	(1.72)
Finance			1.196	-1.057	-0.164
			(0.96)	(3.88)**	(0.16)
Public administration			-0.020	-0.588	-0.398
			(0.03)	(1.66)	(0.44)
Education			0.345	-0.215	-0.484
			(0.65)	(0.74)	(0.97)

Health			-0.638	-0.850	-0.364
			(1.85)	(2.37)*	(0.77)
Other services (narrow)			-0.342	-0.315	-0.694
			(1.34)	(1.78)	(2.13)*
Other services (broad)	0.114	-0.129			
	(0.61)	(0.73)			
<i>Site locations (Ref: UK only)</i>					
Some foreign	0.858				
	(2.73)**				
Don't know	3.249				
	(4.20)**				
<i>Ownership status (Ref: independent)</i>					
Owned by other organisation	-0.374				
	(2.71)**				
Don't know	0.249				
	(0.49)				
<i>Ownership change (Ref: no)</i>					
Recent ownership change	0.247				
	(1.61)				
Don't know	-0.219				
	(0.88)				
<i>% employees working &lt;16 hours per week (Ref: 1-49%)</i>					
None	-0.050	-0.276	-0.181	-0.175	-0.158
	(0.44)	(1.97)*	(1.10)	(1.72)	(0.79)
50%+	0.042	0.009	0.055	-0.047	-0.239
	(0.20)	(0.04)	(0.24)	(0.24)	(0.68)
Don't know	-0.180	-0.528	-0.406	-1.119	-0.506
	(0.51)	(0.67)	(0.56)	(1.66)	(0.59)
<i>% employees working 30+ hours per week (Ref: 80%+)</i>					
0-79%	-0.075	0.082	-0.061	-0.063	0.133
	(0.69)	(0.66)	(0.40)	(0.58)	(0.66)
Don't know	0.780	1.630	0.975	0.046	1.391

	(2.37)*	(1.98)*	(1.81)	(0.11)	(2.09)*
<i>10%+ employees non-white</i>	-0.055	0.270	0.164	0.411	0.017
	(0.34)	(0.90)	(0.70)	(3.16)**	(0.08)
<i>% employees with health problems (Ref: 1-4%)</i>					
None	0.349	-0.734	0.624	-0.129	0.009
	(2.05)*	(1.83)	(2.16)*	(0.61)	(0.04)
5%+	0.611	-0.997	0.492	0.040	0.021
	(2.52)*	(2.31)*	(1.34)	(0.16)	(0.06)
Don't know	0.641	0.796	0.417	-0.021	0.223
	(2.50)*	(1.27)	(1.21)	(0.10)	(0.69)
<i>% part-timers earning &lt;£15,000 per annum (Ref: &lt;50%)</i>					
50-99%	-0.217	-0.457	-0.458	-0.088	-0.522
	(0.91)	(1.87)	(1.69)	(0.40)	(1.27)
100%	0.129	-0.279	0.054	-0.153	0.071
	(0.73)	(1.27)	(0.24)	(1.11)	(0.28)
Don't know	-0.517	-0.883	-0.437	0.816	-0.583
	(1.84)	(1.50)	(0.71)	(1.29)	(0.78)
<i>%full-timers earning &lt;£15,000 per annum (Ref: 30%+)</i>					
None	-0.013	-0.077	-0.143	-0.023	-0.877
	(0.09)	(0.57)	(0.87)	(0.13)	(2.66)**
1-9%	0.335	-0.395	0.091	-0.004	-0.210
	(1.49)	(2.23)*	(0.33)	(0.02)	(0.79)
10-29%	0.072	-0.303	-0.062	0.052	0.063
	(0.57)	(2.61)**	(0.37)	(0.47)	(0.34)
<i>Payroll arrangements (Ref: internal)</i>					
External body	0.002	0.430	0.051	0.578	-0.250
	(0.01)	(2.16)*	(0.24)	(3.30)**	(0.74)
External and internal	-0.022	0.199	-0.052	0.037	0.194
	(0.20)	(1.42)	(0.36)	(0.33)	(0.98)
Don't know	1.852	3.465			

	(2.07)*	(1.72)			
<i>Payroll structure (Ref: 1 payroll unit for reporting unit only)</i>					
1 payroll unit for whole organisation	0.186	0.476			
	(0.99)	(1.56)			
Payroll dealt with by more than one payroll unit	-0.328	-0.063			
	(1.28)	(0.12)			
<i>Staff hours on payroll</i>	2.120	0.320			
	(0.99)	(0.50)			
<i>Payroll technology (Ref: specialist software)</i>					
Manual system	-0.137	-0.041	-0.220	-0.138	-0.427
	(1.29)	(0.39)	(1.64)	(1.08)	(1.89)
Mix of manual and specialist software	0.338	0.325	0.423	0.394	0.186
	(1.02)	(1.13)	(1.06)	(1.28)	(0.47)
Don't know	0.237	0.323	0.258	-1.216	0.149
	(0.97)	(0.89)	(0.80)	(2.31)*	(0.28)
<i>Number of employees working mainly on payroll (Ref: 1)</i>					
None	-0.302	-0.260	-1.147	-0.448	-2.462
	(2.49)*	(1.46)	(5.94)**	(3.26)**	(8.14)**
Two	0.151	0.371	0.137	0.287	0.572
	(0.70)	(1.51)	(0.56)	(1.62)	(2.26)*
Three or more	-0.149	0.156	-0.295	0.029	0.141
	(0.87)	(0.33)	(1.27)	(0.16)	(0.48)
Don't know	-2.491				
	(3.76)**				
Staff hours on payroll	-0.028				
	(1.69)				
Staff hours missing	-0.050				
	(0.18)				
<i>Number of employees working</i>					

<i>partly on payroll (Ref: 1)</i>					
None	-0.075	-0.153	-0.759	-0.048	-1.480
	(0.66)	(0.83)	(4.12)**	(0.35)	(5.50)**
2 or more	0.310	-0.159	0.384	-0.016	0.487
	(1.74)	(0.82)	(1.75)	(0.12)	(2.18)*
Don't know	0.296	1.126			
	(0.42)	(1.00)			
Set up costs					
Read about tax credits	4.517	0.740	4.539	0.355	1.844
	(20.72)**	(2.50)*	(15.89)**	(3.45)**	(11.05)**
Gave/received training or guidance on tax credits	0.549	-0.936	0.527	0.438	0.281
	(1.81)	(2.64)**	(1.53)	(3.45)**	(1.46)
Adapted payroll systems	1.347	0.505	1.123	0.313	0.399
	(7.22)**	(1.65)	(4.01)**	(3.55)**	(2.63)**
Advised staff about availability of tax credits	1.300	1.000	1.737	0.189	0.644
	(4.17)**	(2.37)*	(5.01)**	(1.76)	(3.63)**
<i>Costs of running tax credits</i>					
Dealt with enquiries from IR	0.328	-0.150	0.247	0.325	0.470
	(2.00)*	(0.64)	(0.98)	(3.30)**	(2.91)**
Applied to IR for tax credit funding	0.985	1.007	-0.118	0.168	0.289
	(4.55)**	(2.71)**	(0.35)	(1.40)	(1.24)
Produced Certificates of Payment to leavers	0.460	0.323	-0.040	0.201	-0.078
	(2.88)**	(1.28)	(0.16)	(2.09)*	(0.48)
Dealt with general paperwork	4.109	-0.719	3.886	0.598	3.016
	(21.84)**	(3.02)**	(14.33)**	(5.04)**	(14.63)**
Dealt with employee enquiries about tax credits	0.277	-0.173	0.228	0.254	0.664
	(1.46)	(0.64)	(0.80)	(2.70)**	(3.88)**
Other running costs related to tax credits	1.648	0.856	0.795	0.408	1.286

	(5.51)**	(1.50)	(1.65)	(1.98)*	(4.18)**
Fixed costs					
Accountant costs		8.320	2.915	1.120	3.165
		(17.90)**	(6.87)**	(6.56)**	(12.71)**
Payroll bureau costs		6.043	2.320	1.087	1.843
		(9.31)**	(3.87)**	(5.73)**	(6.85)**
New/adapting payroll software or licences		9.563	1.681	1.616	1.501
		(21.72)**	(4.58)**	(8.90)**	(7.10)**
Other fixed costs		4.599	2.679	0.458	1.325
		(2.55)*	(3.17)**	(1.62)	(1.71)
<i>Value imputed</i>			3.181		0.867
			(11.09)**		(5.63)**
Constant	-8.576	-7.787	-7.380	2.942	-0.513
	(33.62)**	(17.86)**	(17.82)**	(7.87)**	(1.07)
Observations	6157	6166	6144	1947	4751
R-squared	0.85	0.69	0.81	0.57	0.51

## Notes to Section 7 of report

**Table 7.4: Mean hours spent on matters relating directly to PVE**

(1) confined to employers with total PVE hours less than or equal to 1,000, thus excluding 18 cases (2) Imputations are derived from an ordinary least squares model estimating the log of staff hours among employers with current or past experience of PVE where PVE hours are less than 1000.  $R^2=0.64$ ,  $N=2,973$ . The model includes number of PVE tax credit recipients at time of interview and at the time of the Inland Revenue data download, region, industry, legal status of the organisation (company, partnership etc.), ownership, percentage of employees working less than 16 hours per week, percentage of workers working 30+ hours per week, percentage of employees with health problems, percentage of employees from non-white ethnic origin, percentage of full-timers earning less than £15,000 per annum, percentage of part-timers earning less than £15,000 per annum, number of employees, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, the number of employees employed mainly on payroll, the number of employees working partly on payroll, staff

hours per week spent on payroll matters, software usage for payroll, if spent time reading about tax credits, if spent time giving/receiving training/guidance on tax credits, if adapted payroll system for tax credits, if advised staff about availability of tax credits, if dealt with enquiries from Inland Revenue on tax credits, if applied to Inland Revenue for tax credit funding, if produced Certificates of Payment, if dealt with general paperwork relating to tax credits, if dealt with employee enquiries about tax credits, if other costs of running tax credits incurred. There are 34 cases where never-PVE employers say they did spend time on PVE but don't know the actual hours. These cases have an imputed value of 2.5 hours, the median for the never-PVE cases with valid information.

**Table 7.5: Mean hourly cost of staff working mainly on payroll, gross £s per hour**

(1) confined to employers with mean staff costs of less than or equal to £500 per hour, thus excluding 7 cases (2) Imputations are derived from an ordinary least squares model estimating the log of staff hourly costs among employers with mean staff costs of less than or equal to £500 per hour.  $R^2=0.16$ ,  $N=4,495$ . The model includes PVE status at time of interview, region, industry, legal status of the organisation (company, partnership etc.), ownership, percentage of employees working less than 16 hours per week, percentage of workers working 30+ hours per week, percentage of employees with health problems, percentage of employees from non-white ethnic origin, percentage of full-timers earning less than £15,000 per annum, percentage of part-timers earning less than £15,000 per annum, number of employees, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, software usage for payroll, the number of employees employed mainly on payroll.

**Table 7.6: Mean fixed costs arising directly from PVE, £s**

(1) confined to employers with fixed PVE-related costs of less than or equal to £5,000, thus excluding 13 cases. (2) Imputations are derived from an ordinary least squares model estimating the log of fixed costs among employers with mean fixed costs above zero but less than or equal to £5,000.  $R^2=0.43$ ,  $N=487$ . We exclude never-PVE employers are excluded from the model because nearly all have zero fixed costs. The median value for never-PVE cases with costs above zero is given to those 36 never-PVE cases with missing data: this figure is £300. The model includes the number of tax credit recipients at interview and at the data of the Inland Revenue data download, region, industry, legal status of the organisation (company, partnership etc.), ownership, percentage of employees

working less than 16 hours per week, percentage of workers working 30+ hours per week, percentage of employees with health problems, percentage of employees from non-white ethnic origin, percentage of full-timers earning less than £15,000 per annum, percentage of part-timers earning less than £15,000 per annum, number of employees, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, software usage for payroll, the number of employees employed mainly on payroll, if spent time reading about tax credits, if spent time giving/receiving training/guidance on tax credits, if adapted payroll system for tax credits, if advised staff about availability of tax credits, if dealt with enquiries from Inland Revenue on tax credits, if applied to Inland Revenue for tax credit funding, if produced Certificates of Payment, if dealt with general paperwork relating to tax credits, if dealt with employee enquiries about tax credits, if other costs of running tax credits incurred, if payroll bureau costs, if accountant costs, if costs due to new/adapting payroll software/software licences.

**Table 7.7: Mean total costs arising directly from PVE, £s**

(1) all figures are confined to employers with total PVE-related costs of less than or equal to £10,000, thus excluding 35 cases. If these cases were included, the equivalent figures for row 3 are: £448 for current PVE employers, £278 for ex-PVE employers and £16 for never-PVE employers. (2) To investigate the factors associated with total costs incurred as a direct result of PVE, we ran an ordinary least squares model estimating the log of total costs directly attributable to PVE among employers with costs less than or equal to £10,000.  $R^2=0.81$ ,  $N=6,144$ . The model includes number of PVE tax credit recipients at time of interview and date of Inland Revenue data download, region, industry, legal status of the organisation (company, partnership etc.), percentage of employees working less than 16 hours per week, percentage of workers working 30+ hours per week, percentage of employees with health problems, percentage of employees from non-white ethnic origin, percentage of full-timers earning less than £15,000 per annum, percentage of part-timers earning less than £15,000 per annum, number of employees, number of establishments, number of PAYE codes, whether payroll is wholly or partly contracted to an outside organisation, software usage for payroll, the number of employees employed mainly on payroll, number of employees working part of the time on payroll, PVE set up costs (if spent time reading about tax credits, if spent time giving/receiving training/guidance on tax credits, if adapted payroll system for tax credits, if advised staff about availability of tax credits) PVE running costs (if dealt with enquiries from Inland Revenue on tax credits, if

applied to Inland Revenue for tax credit funding, if produced Certificates of Payment, if dealt with general paperwork relating to tax credits, if dealt with employee enquiries about tax credits, if other costs of running tax credits incurred), fixed costs of PVE (if payroll bureau costs, if accountant costs, if costs due to new/adapting payroll software/software licences, if other fixed costs of PVE), if costs data imputed.

**Table 7.8: Mean total costs arising directly from PVE, £s**

(1) all figures are confined to employers with total PVE-related costs of less than or equal to £10,000, thus excluding 35 cases. Final column includes 66 cases where respondent did not know PVE status of the employer at the time of interview.

## Appendix 6: General perception of cost

### Regression estimating probability of perceiving any Tax Credit Costs

	Any WFTC/DPTC costs
Current pve status - survey data	1.728
	(0.307)***
ex-pve status - survey data	1.604
	(0.302)***
Don't know pve status - survey data	1.614
	(0.376)***
North East	-0.245
	(0.150)
North	0.479
	(0.428)
Yorkshire and Humberside	0.057
	(0.174)
East Midlands	-0.016
	(0.146)
West Midlands	-0.124
	(0.163)
East Anglia	0.209
	(0.212)
Eastern	0.154
	(0.242)
London	-0.557
	(0.173)***
South East	-0.092
	(0.157)
South West	-0.088
	(0.157)
Wales	-0.124
	(0.150)
Scotland	-0.693
	(0.190)***
Proprietor	0.157

	(0.183)
Partnership	0.001
	(0.108)
Public corporation	-0.325
	(0.479)
Central government	-0.287
	(0.501)
Local authority	-0.889
	(0.414)**
Not-for-profit	-0.316
	(0.207)
5-9 employees - survey data	0.160
	(0.130)
10-19 employees - survey data	0.288
	(0.144)**
20-49 employees - survey data	0.346
	(0.148)**
50-99 employees - survey data	0.341
	(0.177)*
100-499 employees - survey data	0.527
	(0.207)**
500 or more employees - survey data	0.711
	(0.320)**
Don't know how many employees - survey data	0.606
	(0.406)
1 establishment	0.168
	(0.205)
3 establishments	-0.070
	(0.097)
4 establishments	0.036
	(0.141)
5-9 establishments	-0.265
	(0.131)**
10 or more establishments	0.598

	(0.362)*
No PAYE code	-0.005
	(0.307)
2 or more PAYE codes	-0.272
	(0.183)
Agriculture and Fishing	0.065
	(0.311)
Mining	0.596
	(0.402)
Manufacturing	0.120
	(0.113)
Construction	-0.038
	(0.148)
Hotels and restaurants	-0.018
	(0.210)
Transport and communications	-0.008
	(0.197)
Finance	1.059
	(0.574)*
Business	0.061
	(0.128)
Public administration	0.144
	(0.464)
Education	-0.357
	(0.336)
Health	-0.465
	(0.235)**
Other services	0.342
	(0.208)*
More than 50 percent of workforce female	0.131
	(0.092)
Don't know proportion of women	0.464
	(0.279)*
1-9% of employees from ethnic minority	-0.242

	(0.110)**
10%+ employees from ethnic minority	0.056
	(0.158)
Don't know how many employees from ethnic minority	-0.326
	(0.153)**
1-4% of employees with health problems	0.228
	(0.141)
5% or more employees with health problems	0.251
	(0.157)
Don't know how many employees with health problems	0.347
	(0.172)**
1-9% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.064
	(0.218)
10-29% of employees working more than 30 hours a week earn less than £15,000 a yr	0.029
	(0.145)
30-49% of employees working more than 30 hours a week earn less than £15,000 a yr	0.130
	(0.156)
50-69% of employees working more than 30 hours a week earn less than £15,000 a yr	0.076
	(0.147)
70-89% of employees working more than 30 hours a week earn less than £15,000 a yr	0.054
	(0.177)
90-100% of employees working more than 30 hours a week earn less than £15,000 a yr	0.368
	(0.167)**
Don't know what proportion of employees working more than 30 hours a week earn less than £15,000 a yr	0.007
	(0.178)
Foreign and UK sites	-0.259
	(0.204)
Don't know whether UK sites only	2.343

	(0.968)**
Owned by another organisation or group	-0.142
	(0.106)
Don't know whether owned by organisation or group	-0.789
	(0.417)*
Specialist payroll software	0.127
	(0.099)
Mix of specialist software and manual	0.086
	(0.227)
Don't know type of software used for payroll	0.382
	(0.246)
No employees working mainly on payroll	-0.009
	(0.084)
2 employees working mainly on payroll	-0.092
	(0.137)
3 or more employees working mainly on payroll	0.752
	(0.493)
Tax credits not easy to operate	0.739
	(0.167)***
Don't know whether tax credits easy to operate	0.049
	(0.298)
Know employer responsible for paying WFTC and DPTC	0.399
	(0.128)***
Number of IR sources of information seen/used	0.249
	(0.039)***
80-99% of employees work more than 30 hrs a week	0.111
	(0.103)
100% of employees work more than 30 hrs a week	0.212
	(0.106)**
Don't know how many employees work	-0.068

more than 30 hrs a week	
	(0.267)
External payroll - accountant	0.201
	(0.100)**
External payroll - payroll bureau	0.030
	(0.215)
External payroll - tax consultant	-1.874
	(0.490)***
External payroll - help from other parts of org	-0.396
	(0.241)*
Don't know type of external payroll	0.257
	(0.227)
Constant	-2.520
	(0.357)***
Observations	6437

Standard errors in parentheses

\* significant at 10% level; \*\* significant at 5% level; \*\*\* significant at 1% level

### Regression Estimating Probability of Perceiving Significant or Moderate Costs of Tax Credits

	Significant or moderate cost of tax credits
Current pve status – survey data	1.355
	(0.288)***
Ex-pve status – survey data	1.079
	(0.280)***
Don't know pve status - survey data	1.026
	(0.392)***
North East	0.325
	(0.154)**
North	1.105
	(0.423)***
Yorkshire and Humberside	0.173
	(0.180)
East Midlands	0.071
	(0.149)
West Midlands	0.067
	(0.173)
East Anglia	0.169
	(0.218)
Eastern	-0.253
	(0.184)
London	-0.465
	(0.171)***
South East	0.019
	(0.171)
South West	0.249
	(0.179)
Wales	0.047
	(0.167)
Scotland	-0.510
	(0.171)***
Proprietor	0.402
	(0.176)**

Partnership	0.162
	(0.092)*
Public corporation	0.650
	(0.377)*
Central government	0.346
	(0.457)
Local authority	-0.480
	(0.274)*
Not-for-profit	-0.230
	(0.212)
5-9 employees – survey data	-0.083
	(0.135)
10-19 employees – survey data	-0.222
	(0.151)
20-49 employees – survey data	-0.430
	(0.154)***
50-99 employees – survey data	-0.495
	(0.175)***
100-499 employees – survey data	-0.809
	(0.195)***
500 or more employees - survey data	-0.360
	(0.295)
Don't know how many employees - survey data	0.127
	(0.597)
1 establishment	-0.192
	(0.134)
3 establishments	0.089
	(0.111)
4 establishments	-0.126
	(0.157)
5-9 establishments	0.053
	(0.164)
10 or more establishments	0.113
	(0.162)

No PAYE code	0.129
	(0.318)
2 or more PAYE codes	-0.102
	(0.125)
Agriculture and Fishing	-0.294
	(0.246)
Mining	-0.544
	(0.358)
Manufacturing	0.180
	(0.135)
Construction	0.079
	(0.183)
Hotels and restaurants	0.018
	(0.151)
Transport and communications	-0.086
	(0.158)
Finance	-0.425
	(0.295)
Business	0.050
	(0.123)
Public administration	0.168
	(0.426)
Education	-0.059
	(0.329)
Health	-0.254
	(0.229)
Other services	0.251
	(0.224)
More than 50 percent of workforce female	0.093
	(0.088)
Don't know proportion of women	0.225
	(0.248)
1-9% of employees from ethnic minority	-0.003
	(0.114)

10%+ employees from ethnic minority	0.226
	(0.119)*
Don't know how many employees from ethnic minority	-0.117
	(0.159)
1-4% of employees with health problems	0.372
	(0.172)**
5% or more employees with health problems	0.439
	(0.163)***
Don't know how many employees with health problems	0.088
	(0.195)
1-9% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.104
	(0.193)
10-29% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.134
	(0.156)
30-49% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.073
	(0.170)
50-69% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.063
	(0.159)
70-89% of employees working more than 30 hours a week earn less than £15,000 a yr	0.321
	(0.196)
90-100% of employees working more than 30 hours a week earn less than £15,000 a yr	0.436
	(0.178)**
Don't know what proportion of employees working more than 30 hours a week earn less than £15,000 a yr	0.155
	(0.191)
Foreign and UK sites	0.119
	(0.251)
Don't know whether UK sites only	-0.002
	(0.593)

Owned by another organisation or group	-0.093
	(0.114)
Don't know whether owned by organisation or group	-0.582
	(0.450)
Specialist payroll software	0.359
	(0.105)***
Mix of specialist software and manual	0.463
	(0.264)*
Don't know type of software used for payroll	0.567
	(0.244)**
No employees working mainly on payroll	-0.031
	(0.087)
2 employees working mainly on payroll	0.202
	(0.164)
3 or more employees working mainly on payroll	0.252
	(0.172)
Tax credits not easy to operate	1.387
	(0.125)***
Don't know whether tax credits easy to operate	0.124
	(0.273)
Know employer responsible for paying WFTC and DPTC	0.300
	(0.209)
Number of IR sources of information seen/used	0.193
	(0.034)***
80-99% of employees work more than 30 hrs a week	-0.178
	(0.104)*
100% of employees work more than 30 hrs a week	-0.078
	(0.107)
Don't know how many employees work more than 30 hrs a week	0.114

	(0.269)
External payroll – accountant	0.216
	(0.113)*
External payroll – payroll bureau	0.401
	(0.268)
External payroll - tax consultant	-0.772
	(0.510)
External payroll – help from other parts of org	-0.031
	(0.250)
Don't know type of external payroll	0.446
	(0.231)*
Constant	-3.138
	(0.382)***
Observations	6347

Standard errors in parentheses

\* significant at 10% level; \*\* significant at 5% level; \*\*\* significant at 1% level

### Regression Estimating Probability of WFTC Impact > 1

	Impact of WFTC 2-5
Current pve status – survey data	1.174
	(0.261)***
ex-pve status - survey data	0.817
	(0.258)***
Don't know pve status - survey data	0.327
	(0.404)
North East	-0.103
	(0.149)
North	-0.764
	(0.227)***
Yorkshire and Humberside	0.298
	(0.171)*
East Midlands	-0.190
	(0.137)
West Midlands	-0.302
	(0.152)**
East Anglia	-0.033
	(0.213)
Eastern	-0.210
	(0.207)
London	0.063
	(0.210)
South East	-0.043
	(0.135)
South West	0.189
	(0.166)
Wales	-0.090
	(0.149)
Scotland	-0.230
	(0.240)
Proprietor	0.339
	(0.222)

Partnership	0.159
	(0.109)
Public corporation	-0.536
	(0.444)
Central government	-0.565
	(0.351)
Local authority	-0.993
	(0.406)**
Not-for-profit	-0.154
	(0.169)
5-9 employees - survey data	-0.167
	(0.134)
10-19 employees - survey data	-0.354
	(0.145)**
20-49 employees - survey data	-0.573
	(0.166)***
50-99 employees - survey data	-0.803
	(0.196)***
100-499 employees - survey data	-0.668
	(0.213)***
500 or more employees - survey data	-0.855
	(0.310)***
Don't know how many employees - survey data	-1.510
	(0.377)***
1 establishment	0.060
	(0.158)
3 establishments	-0.216
	(0.093)**
4 establishments	-0.020
	(0.138)
5-9 establishments	0.076
	(0.190)
10 or more establishments	0.595
	(0.509)

No PAYE code	0.426
	(0.294)
2 or more PAYE codes	-0.092
	(0.130)
Agriculture and Fishing	-0.834
	(0.303)***
Mining	0.459
	(0.427)
Manufacturing	0.117
	(0.129)
Construction	-0.228
	(0.155)
Hotels and restaurants	-0.207
	(0.254)
Transport and communications	-0.115
	(0.151)
Finance	-0.481
	(0.393)
Business	-0.171
	(0.121)
Public administration	0.945
	(0.405)**
Education	-0.083
	(0.345)
Health	-0.699
	(0.261)***
Other services	-0.107
	(0.180)
More than 50 percent of workforce female	-0.038
	(0.105)
Don't know proportion of women	-0.294
	(0.244)
1-9% of employees from ethnic minority	0.104
	(0.123)

10%+ employees from ethnic minority	-0.127
	(0.165)
Don't know how many employees from ethnic minority	-0.139
	(0.173)
1-4% of employees with health problems	-0.120
	(0.119)
5% or more employees with health problems	-0.228
	(0.113)**
Don't know how many employees with health problems	-0.001
	(0.164)
1-9% of employees working more than 30 hours a week earn less than £15,000 a yr	0.292
	(0.184)
10-29% of employees working more than 30 hours a week earn less than £15,000 a yr	0.230
	(0.140)*
30-49% of employees working more than 30 hours a week earn less than £15,000 a yr	0.188
	(0.159)
50-69% of employees working more than 30 hours a week earn less than £15,000 a yr	0.405
	(0.149)***
70-89% of employees working more than 30 hours a week earn less than £15,000 a yr	0.416
	(0.181)**
90-100% of employees working more than 30 hours a week earn less than £15,000 a yr	0.334
	(0.181)*
Don't know what proportion of employees working more than 30 hours a week earn less than £15,000 a yr	0.554
	(0.171)***
Foreign and UK sites	0.146
	(0.211)
Don't know whether UK sites only	-0.412
	(0.609)

Owned by another organisation or group	-0.088
	(0.124)
Don't know whether owned by organisation or group	0.374
	(0.463)
Specialist payroll software	0.086
	(0.107)
Mix of specialist software and manual	-0.008
	(0.225)
Don't know type of software used for payroll	0.062
	(0.279)
No employees working mainly on payroll	0.064
	(0.085)
2 employees working mainly on payroll	-0.009
	(0.139)
3 or more employees working mainly on payroll	-0.036
	(0.166)
Tax credits not easy to operate	0.535
	(0.163)***
Don't know whether tax credits easy to operate	-0.785
	(0.247)***
Know employer responsible for paying WFTC and DPTC	0.097
	(0.172)
Number of IR sources of information seen/used	0.156
	(0.042)***
80-99% of employees work more than 30 hrs a week	-0.018
	(0.110)
100% of employees work more than 30 hrs a week	0.000
	(0.110)
Don't know how many employees work more than 30 hrs a week	-0.156

	(0.286)
External payroll - accountant	0.118
	(0.112)
External payroll - payroll bureau	-0.076
	(0.178)
External payroll - tax consultant	-0.462
	(0.374)
External payroll - help from other parts of org	-0.362
	(0.335)
Don't know type of external payroll	-0.425
	(0.245)*
Average impact of non-WFTC legislation	0.899
	(0.077)***
Constant	-2.177
	(0.342)***
Observations	6437

Standard errors in parentheses

\* significant at 10% level; \*\* significant at 5% level; \*\*\* significant at 1% level

### Regression Estimating Any Impact of DPTC

	Any impact of DPTC
Current pve status - survey data	-1.217
	(0.399)***
Ex-pve status - survey data	-0.985
	(0.396)**
Don't know pve status - survey data	-0.017
	(0.350)
North East	0.044
	(0.134)
North	0.027
	(0.423)
Yorkshire and Humberside	0.028
	(0.155)
East Midlands	0.158
	(0.147)
West Midlands	0.144
	(0.158)
East Anglia	-0.067
	(0.206)
Eastern	0.212
	(0.229)
London	0.153
	(0.169)
South East	0.102
	(0.160)
South West	0.084
	(0.152)
Wales	-0.102
	(0.142)
Scotland	0.052
	(0.240)
Proprietor	-0.359
	(0.203)*

Partnership	-0.193
	(0.108)*
Public corporation	1.692
	(0.680)**
Central government	0.057
	(0.503)
Local authority	0.053
	(0.573)
Not-for-profit	0.071
	(0.204)
5-9 employees - survey data	0.089
	(0.132)
10-19 employees - survey data	0.055
	(0.144)
20-49 employees - survey data	0.137
	(0.154)
50-99 employees - survey data	0.208
	(0.182)
100-499 employees - survey data	0.144
	(0.196)
500 or more employees - survey data	0.577
	(0.273)**
Don't know how many employees - survey data	-0.164
	(0.331)
1 establishment	0.051
	(0.231)
3 establishments	0.261
	(0.126)**
4 establishments	0.312
	(0.175)*
5-9 establishments	-0.063
	(0.153)
10 or more establishments	0.379
	(0.250)

No PAYE code	-0.382
	(0.263)
2 or more PAYE codes	-0.171
	(0.128)
Agriculture and Fishing	0.409
	(0.355)
Mining	0.059
	(0.465)
Manufacturing	0.005
	(0.114)
Construction	0.091
	(0.157)
Hotels and restaurants	-0.110
	(0.209)
Transport and communications	-0.229
	(0.206)
Finance	1.202
	(0.463)***
Business	0.315
	(0.122)**
Public administration	0.041
	(0.692)
Education	0.673
	(0.321)**
Health	-0.335
	(0.269)
Other services	-0.118
	(0.185)
More than 50 percent of workforce female	0.010
	(0.096)
Don't know proportion of women	-0.235
	(0.316)
1-9% of employees from ethnic minority	-0.102
	(0.124)

10%+ employees from ethnic minority	-0.085
	(0.142)
Don't know how many employees from ethnic minority	0.487
	(0.221)**
1-4% of employees with health problems	0.036
	(0.129)
5% or more employees with health problems	0.006
	(0.132)
Don't know how many employees with health problems	-0.150
	(0.165)
1-9% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.205
	(0.184)
10-29% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.167
	(0.137)
30-49% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.238
	(0.150)
50-69% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.163
	(0.140)
70-89% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.198
	(0.159)
90-100% of employees working more than 30 hours a week earn less than £15,000 a yr	-0.173
	(0.152)
Don't know what proportion of employees working more than 30 hours a week earn less than £15,000 a yr	-0.328
	(0.205)
Foreign and UK sites	0.113
	(0.214)
Don't know whether UK sites only	-0.652
	(0.567)

Owned by another organisation or group	-0.002
	(0.126)
Don't know whether owned by organisation or group	-1.307
	(0.255)***
Specialist payroll software	-0.160
	(0.096)*
Mix of specialist software and manual	-0.106
	(0.211)
Don't know type of software used for payroll	0.165
	(0.221)
No employees working mainly on payroll	0.106
	(0.086)
2 employees working mainly on payroll	0.030
	(0.138)
3 or more employees working mainly on payroll	-0.086
	(0.160)
Tax credits not easy to operate	-0.007
	(0.156)*
Don't know whether tax credits easy to operate	-0.771
	(0.393)**
Know employer responsible for paying WFTC and DPTC	0.358
	(0.138)***
Number of IR sources of information seen/used	0.159
	(0.040)***
80-99% of employees work more than 30 hrs a week	0.146
	(0.108)
100% of employees work more than 30 hrs a week	0.182
	(0.111)
Don't know how many employees work more than 30 hrs a week	-0.015

	(0.305)
External payroll - accountant	-0.048
	(0.099)
External payroll - payroll bureau	-0.334
	(0.184)*
External payroll - tax consultant	-0.309
	(0.618)
External payroll - help from other parts of org	0.215
	(0.669)
Don't know type of external payroll	-0.121
	(0.322)
Average impact of non-DPTC legislation	0.499
	(0.052)***
Constant	-1.131
	(0.454)**
Observations	6437

Standard errors in parentheses

\* significant at 10% level; \*\* significant at 5% level; \*\*\* significant at 1% level

## **B. Technical Appendix**

### **Sample Frame**

The sample frame for the survey was taken from Inland Revenue sources and the Inter Departmental Business Register (IDBR). Inland Revenue administrative data is historical data from 31<sup>st</sup> October 2001 going back to when PVE was first introduced in April 2000. To create the Inland Revenue database for the project, Inland Revenue matched data covering all those recipients who had ever received a WFTC/DPTC award via the payroll to the employer database; this provided employer details and PVE status. The data were then merged with the IDBR data<sup>1</sup> by the Office for National Statistics to provide a comprehensive sample frame of employers.

IDBR Reporting Unit was the chosen sampling unit for the survey, as this is the most common unit for surveys of this kind. The Reporting Unit is an address supplied to IDBR by the employer in question; this is their chosen address and is usually an address at which day-to-day businesses decisions are made.

The pilot response data were used to make a number of assumptions about sample attrition for the mainstage survey and informed the amount of sample to be issued.

### **Sampling process**

The sampling process involved a number of stages detailed below.

The first step was to set targets for numbers of interviews to be achieved. The target overall was 5000, with individual targets set according to the following characteristics:

- PVE by size and number of recipients
- never-PVE by size and region
- ex-PVE by size.

The detailed targets are shown below. The first table also shows a summary of the data received from IDBR, which gives the numbers and profile of the entire universe of reporting units.

Table 1.2, 1.3 and 1.4 show the estimated interview targets at the start of fieldwork. As can be seen, the key stratification targets for the PVE sample included the number of PVE

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<sup>1</sup> The date of the IDBR data download was April 2002

recipients within six main employer size categories. For the never-PVE sample, region was considered to be important and targets were set for region and employer size. The stratification aimed to ensure a set number of interviews in Wales and the North East, with the remainder of the interviews being spread across other regions of Great Britain. Furthermore, these interlocking targets were only set for the smallest employer size bands. Finally, for the ex-PVE sample, target numbers were set for the different employer size categories.

**Table 1.1: Reporting Unit Sample Universe (from IDBR data)**

<b>PVE</b>	Employee Size (EMPS)						
TC receipts	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
1	33687	57388	4692	2005	537	443	98752
2 to 5	5095	26907	6508	4193	1101	820	44624
6+	174	1865	1678	939	1668	2547	10286
Total	38956	86160	12878	8552	3306	3810	153662
<b>Non PVE</b>	Employee Size (EMPS)						
Region	1-4	5-49	50-99	100-249	250-499	500+	Total
North East	13378	5139	103	33	12	15	18680
Rest	541210	200460	5501	1992	568	507	750238
Wales	19632	6787	91	34	16	15	26575
Total	574220	212386	5695	2059	596	537	795493
<b>ex PVE</b>	Employee Size (EMPS)						
	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
	17186	24453	1812	726	213	273	44663

**Table 1.2: Targets for completed interviews, PVE**

	Number of employees						
TC	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
1	240	600	180	85	50	30	1185
2 to 5	100	250	170	90	60	30	700
6+	0	65	100	130	80	240	615
Total	340	915	450	305	190	300	2500

**Table 1.3: Targets for completed interviews, never-PVE**

	Number of employees						
Region	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
North	75	45					120
Wales	75	45					120
Rest	430	410					840
Total	580	500	200	120	80	20	1500

**Table 1.4: Targets for completed interviews, ex-PVE**

Number of employees						
1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
250	400	150	85	65	50	1000

Using information from the pilot, it was estimated how much sample would be required to reach these interview targets, bearing in mind drop out from the following stages

- Telephone number look-up
- Refusal before fieldwork in response to an opt-put letter
- Non-response during fieldwork

The initial sample (53,538) was provided by IDBR in line with agreed stratification targets. Records were sorted into single reporting units. The details of this sampling frame are shown below.

**Table 1.5: Sample Frame**

PVE	Employee Size (EMPS)						
TC receipts	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
1	2880	4800	1170	446	263	121	9680
2 to 5	1200	2000	1105	473	315	158	5251
6+	290	520	650	683	420	1260	3823
Total	4370	7320	2925	1602	998	1539	18754
Non PVE	Employee Size (EMPS)						
Region	1-4	5-49	50-99	100-249	250-499	500+	Total
North East	1275	585	54	32	11	14	1971
Rest	7310	5330	2706	1942	532	468	18288
Wales	1275	585	40	33	14	13	1960
Total	9860	6500	2800	2007	557	495	22219
ex PVE	Employee Size (EMPS)						
	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
	4250	5200	1854	745	229	287	12565

A telephone look-up phase was then conducted to attempt to add telephone numbers to cases where these were not included in the sample information. This increased the number of eligible reporting units from 14,763 to 37,948. The pilot cases (773 reporting units) were then removed from the sample frame, resulting in 37,260 eligible reporting units.

This frame was then sorted by reporting unit and grouped into stratification cells. Individual reporting units were selected at random within each stratification cell, to reflect the batch 1 interview targets (9883 cases were selected). For each selected reporting unit, the name of that unit and associated telephone number were issued for the first part of

fieldwork. If there was more than one telephone number provided for any one reporting unit (because some reporting units had multiple PAYE units), one telephone number was selected at random. However, this was only a means to contact the reporting unit. When interviewers made contact, they asked to speak to someone who could answer questions about the reporting unit as a whole.

Letters were then sent to employers, allowing them the opportunity to opt-out of the survey. All opt-outs were then removed from the sample before issuing this for main fieldwork.

It was decided to load sample in two batches so that response from the first batch could be used to inform which sample to issue in a second batch. By doing this we could better control which employers were interviewed. This was a complicated process as there were a number of stratification cells to look at, and employers characteristics could shift in terms of size and PVE status from sample to interview. Generally, the response rate from the batch 1 sample was better than expected, and batch 2 was used to concentrate on specific groups where response had been lower than expected, or where shifts in sample characteristics had affected our target number of interviews. The above processes for selecting the sample at batch 1 were then repeated for batch 2.

The amount of sample issued over both batches is outlined below.

**Table 1.6: Sample Issued**

<b>PVE</b>	<b>Employee Size (EMPS)</b>						
TC receipts	1 to 4	5 to 49	50-99	100-249	250-499	500+	Total
1	1182	996	284	125	56	16	2659
2 to 5	604	457	296	149	109	25	1640
6+	186	149	208	261	168	485	1457
Total	1972	1602	788	535	333	526	5756
<b>Non PVE</b>	<b>Employee Size (EMPS)</b>						
Region	1-4	5-49	50-99	100-249	250-499	500+	Total
North East	301	113	41	27	11	12	505
Rest	1720	1025	776	588	378	277	4764
Wales	301	113	32	26	11	10	493
Total	2322	1251	849	641	400	299	5762
<b>ex PVE</b>	<b>Employee Size (EMPS)</b>						
	1 to 4	5 to 49	50-	10099-	250-499	500+	Total
	1655	700	286	362	198	250	3451

In total, 6453 interviews were achieved with employers. The number of interviews with different types of employers is shown below. The table shows employer characteristics as defined by the sample.

**Table 1.7: Interview profile**

<b>PVE</b>	Employee Size (EMPS)						
No. recipients	1-4	5-49	50-99	100-249	250-499	500+	Total
1	431	504	152	74	39	9	1209
2-5	234	254	174	86	62	16	826
6+	75	86	119	153	116	311	860
<b>Total</b>	<b>740</b>	<b>844</b>	<b>445</b>	<b>313</b>	<b>217</b>	<b>336</b>	<b>2895</b>
<b>Non PVE</b>	Employee Size (EMPS)						
Region	1-4	50-99	5-49	100-249	250-499	500+	Total
North East	89	21	52	10	5	6	183
Rest	440	377	471	275	196	140	1899
Wales	74	15	58	12	4	4	167
<b>Total</b>	<b>603</b>	<b>413</b>	<b>581</b>	<b>297</b>	<b>205</b>	<b>150</b>	<b>2249</b>
<b>ex PVE</b>	Employee Size (EMPS)						
	1 to 4	1-4	50-99	100-249	250-499	500+	Total
	454	352	134	173	84	108	1305

## Weighting

Survey data need to be weighted, to account for the stratification used in the sampling process, as well as survey non-response. Individual weights were applied as follows:

- weight to reflect initial probability of selection, in selecting sampling frame from the reporting unit universe (selection carried out by IDBR) – “weight1”
- weight to reflect selection of issued sample from IDBR sample frame – “weight2”
- weight to account for survey non-response – “weight3”

These individual weights were then combined, in order to align the issued sample/interviewed sample to the reporting unit universe. Specifically:

- for the issued sample, weight1 and weight2 were combined (“weigh1\_2”)
- for the interviewed sample, weight1, weight2 and weight3 were combined (weigh1\_3)

These weights took into account the stratification included in the sample selection. Once these weights were applied, it was then possible to look at additional sample characteristics (eg industry sector) to see if further weighting needed be applied. These were then added combined with the non-response weight (weight3).

Non-response to the interview was not random so we produced a weight to account for non-response. This was produced in the following way. First, we ran a probit regression

to estimate the likelihood of being interviewed for the whole issued sample (N=14,969). This contained information from the IDBR and Inland Revenue records. The model was weighted with the Weight2 weight reflecting the probability of selection into the issued sample from the IDBR sample frame (it was unnecessary to weight for the probability of initial selection from the reporting universe because the probability of interview response was independent of this first stage selection). The model is statistically significant ( $p < 0.0000$ ) and correctly predicts the actual interview status of 61% of the issued sample. Controlling for other factors, response rates differed across employers in the following ways:

- PVE status: current PVE employers most likely to respond, and never-PVE employers least likely to respond
- Region: the probability of responding was considerably lower in London than elsewhere
- Type of organisation (company etc.): compared with the reference category of company, proprietorships were less likely to respond, whereas local authorities, partnerships and central government employers were more likely to respond.
- Log employment size: larger employers were more likely to respond.
- Log turnover: employers with higher turnover were more likely to respond.
- Number of establishments in the organisation: those with either a single establishment or many establishments were less likely to respond than organisations with two establishments.
- Number of PAYE codes: those with no live PAYE code and those with more than one PAYE code were less likely to respond than those with a single code.
- If 6+ tax credit recipients: this was not significant.
- 2-digit SIC: there were a number of industry effects.

The model generated a probability of interview response for each employer in the issued sample. Taking the inverse of this probability provided us with a weight to account for survey non-response.

Finally, to obtain the weight used in the analysis of the interviewed sample, we combined the non-response weight with Weigh1\_2, thus taking full account of the probabilities of being selected initially from the IDBR, the probability of selected for the issued sample from the sample frame, and the probability of non-response to the interview.

**Table 1.8: Weight to reflect initial probability of selection (weight1)**

<b>PVE</b>	<b>Employee Size (EMPS)</b>					
<b>No.</b>	1-4	5-49	50-99	100-249	250-499	500+
1	11.696875	11.95583333	4.01025641	4.495515695	2.041825095	3.661157025
2-5	4.245833333	13.4535	5.88959276	8.864693446	3.495238095	5.189873418
6+	1	3.586538462	2.581538462	1.374816984	3.971428571	2.021428571
<b>Non PVE</b>	<b>Employee Size (EMPS)</b>					
<b>Region</b>	1-4	5-49	50-99	100-249	250-499	500+
North East	10.49254902	8.784615385	1.907407407	1.03125	1.090909091	1.071428571
Rest	74.0369357	37.6097561	2.032889874	1.025746653	1.067669173	1.083333333
Wales	15.39764706	11.6017094	2.275	1.03030303	1.142857143	1.153846154
<b>ex PVE</b>	<b>Employee Size (EMPS)</b>					
	1 to 4	5-49	50-99	100-249	250-499	500+
	4.043764706	4.7025	1	1	1	1

**Table 1.9: Weight to reflect selection of issued sample (weight2)**

<b>PVE</b>	<b>Employee Size (EMPS)</b>					
<b>No.</b>	1-4	5-49	50-99	100-249	250-499	500+
1	2.436548223	4.819277108	4.11971831	3.568	4.696428571	7.5625
2-5	1.986754967	4.376367615	3.733108108	3.174496644	2.889908257	6.32
6+	1.559139785	3.489932886	3.125	2.616858238	2.5	2.597938144
<b>Non PVE</b>	<b>Employee Size (EMPS)</b>					
<b>Region</b>	1-4	5-49	50-99	100-249	250-499	500+
North East	4.235880399	5.17699115	1.317073171	1.185185185	1	1.166666667
Rest	4.25	5.2	3.487113402	3.302721088	1.407407407	1.689530686
Wales	4.235880399	5.17699115	1.25	1.269230769	1.272727273	1.3
<b>ex PVE</b>	<b>Employee Size (EMPS)</b>					
	1 to 4	5-49	50-99	100-249	250-499	500+
	2.567975831	7.428571429	6.482517483	2.05801105	1.156565657	1.148

## Survey Response

The target number of interviews was exceeded and a total of 6,453 interviews were conducted amongst employers, representing a response rate of 67 percent. Table 4 shows the full response breakdown.

**Table 4: Survey Response**

	N	%
<b>Opt out letters sent</b>	<b>14969</b>	<b>100%</b>
Office opt outs before fieldwork	1600	11%
Office opt outs during fieldwork	1096	7%
Total opt outs	2696	18%
Total sample	<b>12273</b>	100%
<b>Sample completed</b>	<b>11417</b>	<b>93%</b>
Ineligible cases		
Number unobtainable/wrong number	471	4%
Unavailable during fieldwork	861	8%
Moved/company ceased trading	190	2%
Other ineligible	218	2%
In scope of fieldwork (sample covered)	9677	100%
Non contact (10+ unsuccessful calls)	423	4%
Refused	2467	25%
Abandoned interview	334	3%
Completed interviews	6453	67%
<b>Cut off fieldwork, sample still available</b>	<b>856</b>	

## Fieldwork

Telephone interviewing took place between June and August 2002 and a total of 6,453 interviews were achieved. Computer Assisted Telephone Interviewing (CATI) was used and the average interview length was 25 minutes. Postal questionnaires were sent to 285 of these 6,453 employers, who were unable to answer the cost related questions in the survey. The questionnaire was a three-page booklet and included these appropriate questions. Two reminders were sent to respondents who had not responded by each reminder despatch

date<sup>2</sup>. The postal questionnaire was returned by 170 employers. This data was later merged with the cost data collected over the telephone to produce one final dataset.

Copies of the telephone and postal questionnaires can be found in Appendix C.

---

<sup>2</sup> Reminder one was a letter only reminder, reminder two was a full-pack reminder and included a letter and questionnaire

## C. QUESTIONNAIRES

### CATI Questionnaire

---

wftctest Good morning/afternoon, my name is ..... and I am calling from BMRB International. Recently &vcomnam& should have received a letter from the IR saying you might receive a phone call from us on their behalf. The IR are interested in finding out about payroll and employment practices in different firms, and in particular, how Working Families' Tax credit and Disabled Person's Tax Credit may affect these things. (IF NECESSARY: Even if you are not currently paying Tax Credits we would still like to talk to you about your payroll practices. IF NECESSARY: The IR is keen to get the views of a variety of organisations, both large and small.)

Can I check, would you be able to answer questions about the running of payroll? IF YES: CONTINUE. IF NO: ASK FOR THIS PERSON AND MAKE AN APPOINTMENT/COLLECT NEW NUMBER IF NECESSARY.

Anything that you tell us will be treated in the strictest confidence. Information you give me will not be passed on to anyone, including the Inland Revenue, in such a way that you or your organisation will be identified.

IF NECESSARY: FAX A COPY OF THE LETTER THROUGH AND MAKE AN APPOINTMENT TO CALL BACK

---

**QUANCEPT ITEM:**

---

**QUANCEPT ITEM:**

---

Qname Could I take your name please?

INTERVIEWER: CODE FULL NAME OF PERSON HERE

Refused )

---

**QUANCEPT ITEM:**

---

**QUANCEPT ITEM:**

---

**To begin with I'd like to ask you a few general questions about yourself and the organisation you work for.**

---

Qjtitle So can I start by asking you what your job title is?

Refused

Z )

---

Qdo And can you tell me what you mainly do in your job?

CHECK SPECIAL QUALIFICATIONS/TRAINING NEEDED TO DO JOB.

Refused

)

---

Qlong1 And how long have you been working for &vcomnam&?

READ OUT AND CODE ONE ONLY

Less than 3 months	1
3 months but less than 6 months	2
6 months but less than a year	3
A year but less than 2 years	4
2 years but less than 3 years	5
3 years but less than 4 years	6
4 years but less than 5 years	7
5 years or more	8
Don't Know	Y

---

Qalw Have you been working mainly on payroll matters for all this time?

Yes	1
No	2
Don't Know	Y

---

**IF Qalw = No  
THEN ASK: Qlon**

---

Qlon How long have you been working on payroll matters for?

READ OUT AND CODE ONE ONLY

Less than 3 months	1
3 months but less than 6 months	2
6 months but less than a year	3
A year but less than 2 years	4
2 years but less than 3 years	5
3 years but less than 4 years	6
4 years but less than 5 years	7
5 years or more	8
Don't Know	Y

**End of Filter ialw**

---

Qcompdo Could I ask you what &vcomnam& mainly makes or does?

DESCRIBE FULLY - PROBE MANUFACTURING, PROCESSING, DISTRIBUTING  
ETC. AND MAIN GOODS PRODUCED, MATERIALS USED, WHOLESALE OR RETAIL  
ETC.

Don't Know Y

---

Qowtels Is there anything else that &vcomnam& makes or does?

DESCRIBE FULLY - PROBE MANUFACTURING, PROCESSING, DISTRIBUTING  
ETC. AND MAIN GOODS PRODUCED, MATERIALS USED, WHOLESALE OR RETAIL  
ETC.

Nothing else X

---

Qsite And thinking about the place where you usually work, is this the only permanent workplace in the UK where &vcomnam& employees work or is this one of a number of sites in the UK where employees work?

NOTE: SITES CAN INCLUDE FACTORIES, RETAIL OUTLETS, AND OFFICES ETC. WHERE PERMANENT EMPLOYEES WORK. ORGANISATION CAN OWN OR RENT THESE SITES.

UK INCLUDES WALES, SCOTLAND AND NORTHERN IRELAND ONLY.

[+vcomnam+], based at a single site	1
[+vcomnam+] is one of a number of different sites within a larger organisation	2
Don't Know	Y

---

Qowned Is &vcomnam& owned or controlled by another organisation or group?

Yes - Is owned or controlled by another organisation/group	1
No - Is not owned by another organisation/group	2
Don't Know	Y

---

QownerHas the controlling ownership of &vcomnam& changed over the past five years?

INTERVIEWER NOTE - BY CONTROLLING OWNERSHIP CHANGES WE MEAN MAJOR OWNERSHIP CHANGES, REGARDLESS OR WHETHER THIS AFFECTED DAY TO DAY WORKING PRACTICES.

Yes	1
No	2
Don't Know	Y

---

**IF Qsite = [+vcomnam+] is one of a number of different sites within a larger organisation THEN ASK: Qhedoff**

---

Qhedoff Is the site where you usually work the controlling Head Office of &vcomnam&?

IF NECESSARY: BY SITE, WE MEAN A WORKPLACE, THAT IS A SITE CONTAINING EMPLOYEES

Yes	1
No	2
Doesn't have one	3
Don't Know	Y

---

**IF NOT ( Qhedoff = Yes )  
THEN ASK: Qfunc**

---

Qfunc In that case, could you tell me the function of the site you usually work at?

RECORD VERBATIM ANSWER

Don't Know	Y
------------	---

**End of Filter ifunc**

---

QUK Are all sites that are part of &vcomnam& based in the UK, or are some located outside of the UK?

UK sites only	1
UK and non-UK sites	2
Don't Know	Y

---

Qsitnum      How many &vcomnam& sites, including this one are there within the UK?

READ OUT LIST

2	1
3	2
4	3
5-10	4
11-20	5
21-50	6
more than 50	7
Don't Know	Y

**End of Filter isite**

---

**IF Qsite = [+vcomnam+], based at a single site  
THEN ASK: Qforeign**

---

Qforeign Does your organisation have any sites outside of the UK?

Yes	1
No	2
Don't Know	Y

**End of Filter ilone**

---

Qstat Would you describe the formal status of &vcomnam& as.....?

READ OUT

Voluntary Sector	1
Public Sector	2
Private Sector	3
Don't Know	Y
Other	0

Other specify...
------------------

---

**IF qstat = Private Sector  
THEN ASK: Qstat2**

---

Qstat2 Is this a Public Limited Company (PLC)?

Yes	1
No	2
Don't Know	Y

**End of Filter ipriv**

---

**IF Qsite = [+vcomnam+] is one of a number of different sites within a larger organisation**

**End of Filter imulti**

---

**I'd now like to ask you a few general questions about employees at &vcomnam&.  
&vmulti&**

---

Qempnum How many UK employees does &vcomnam& have on its payroll?

IF NECESSARY SAY: Please include all employees whether working full time or part time and also include any contract workers.

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 999999 (Numeric Range)

---

**IF Qempnum = Don't Know  
THEN ASK: Qband**

---

Qband Is it.....

READ OUT LIST

Less than 10	1
10-24	2
25-49	3
50-99	4
100-199	5
200-499	6
500-999	7
1000-1999	8
2000-4999	9
5000-9999	0
10000+	1
Don't Know	Y

End of Filter iDK

---

QUANCEPT ITEM:

---

IF NOT ( Qband = Don't Know )  
THEN ASK: Qless16

---

Qless16      Approximately how many or what proportion of your employees are there that usually work for less than 16 hours per week?

Number given - record at next screen	1
Proportion/Percentage given - record at next screen	2
Don't Know	Y

---

IF Qless16 = Number given - record at next screen  
THEN ASK: Qnum1

---

Qnum1 RECORD NUMBER OF UK EMPLOYEES HERE (WHO WORK LESS THAN 16 HOURS PER WEEK)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y  
Permitted Range 0 TO 999999 ()

---

**End of Filter inum1**

---

**IF Qless16 = Proportion/Percentage given - record at next screen  
THEN ASK: Qprop1**

---

Qprop1 RECORD PERCENTAGE HERE (OF UK EMPLOYEES THAT WORK LESS THAN 16 HOURS PER WEEK)

CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y  
Permitted Range  
0 TO 100 ()

---

**End of Filter iprop1**

---

Qfull Approximately how many or what proportion of your UK employees work full time? (By full time, I am referring to 30 hours or more per week).

Number given - record at next screen 1  
Proportion/Percentage given - record at next screen 2  
Don't Know Y

---

**IF Qfull = Number given - record at next screen  
THEN ASK: Qnum2**

---

Qnum2 RECORD NUMBER OF UK EMPLOYEES HERE (WHO WORK FULL TIME)

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 999999 ()		

---

**End of Filter inum2**

---

**IF Qfull = Proportion/Percentage given - record at next screen  
THEN ASK: Qprop2**

---

Qprop2 RECORD PERCENTAGE HERE (OF UK EMPLOYEES THAT WORK FULL TIME)  
CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 100 ()		

---

**End of Filter iprop2**

---

**IF qempnum <> 0  
THEN ASK: Qless**

---

Qless Approximately how many or what proportion of full-time employees earn less than  
{a#315,000 per year?

Number given - record at next screen	1
Proportion/Percentage given - record at next screen	2
Don't Know	Y

---

**IF Qless = Number given - record at next screen**  
**THEN ASK: Qnum4**

---

Qnum4 RECORD NUMBER OF FULL-TIME EMPLOYEES HERE (WHO EARN LESS THAN  
{a#315,000 PER YEAR)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

Permitted Range  
0 TO 999999 ()

---

**End of Filter inum4**

---

**IF Qless = Proportion/Percentage given - record at next screen**  
**THEN ASK: Qprop4**

---

Qprop4 RECORD PERCENTAGE HERE (OF FULL-TIME EMPLOYEES THAT EARN LESS  
THAN {a#315,000 PER YEAR)

CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

Permitted Range  
0 TO 100 ()

---

**End of Filter iprop4**

**End of Filter iemplo**

---

**IF qnum1 > 0 OR qprop1 > 0**  
**THEN ASK: Qless2**

---

Qless2 Approximately how many or what proportion of employees working fewer than 16 hours per week earn less than {a#315,000 per year?

Number given - record at next screen	1
Proportion/Percentage given - record at next screen	2
Don't Know	Y

---

**IF Qless2 = Number given - record at next screen  
THEN ASK: Qnum8**

---

Qnum8 RECORD NUMBER OF EMPLOYEES WORKING LESS THAN 16 HOURS PER WEEK HERE (WHO EARN LESS THAN {a#315,000 PER YEAR)

	Numeric Range _____	
	Don't Know	Y
Permitted Range 0 TO 999999 ()		

---

**End of Filter inum8**

---

**IF Qless2 = Proportion/Percentage given - record at next screen  
THEN ASK: Qnum9**

---

Qnum9 RECORD PERCENTAGE HERE OF EMPLOYEES WORKING LESS THAN 16 HOURS PER WEEK (THAT EARN LESS THAN {a#315,000 PER YEAR)

CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

	Numeric Range _____	
	Don't Know	Y
Permitted Range 0 TO 100 ()		

---

**End of Filter Inum9**

**End of Filter iptemp**

---

qnowhit Approximately how many or what proportion of &vcomnam&'s UK employees are from a non-white ethnic group?

Number given - record at next screen	1
Proportion/Percentage given - record at next screen	2
Don't Know	Y

---

**IF qnowhit = Number given - record at next screen  
THEN ASK: Qnum5**

---

Qnum5 RECORD NUMBER OF UK EMPLOYEES HERE (WHO ARE FROM A NON-WHITE ETHNIC GROUP)

Permitted Range	Numeric Range _____	Y
0 TO 999999 ( )	Don't Know	

---

**End of Filter inum5**

---

**IF qnowhit = Proportion/Percentage given - record at next screen  
THEN ASK: Qprop5**

---

Qprop5 RECORD PERCENTAGE HERE (OF UK EMPLOYEES WHO ARE FROM A NON-WHITE ETHNIC GROUP)

CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

Permitted Range  
0 TO 100 ()

Numeric Range \_\_\_\_\_  
Don't Know Y

**End of Filter iprop5**

---

Qwomen Approximately how many or what proportion of &vcomnam&'s UK employees are women?

Number given - record at next screen 1  
Proportion/Percentage given - record at next screen 2  
Don't Know Y

---

**IF Qwomen = Number given - record at next screen  
THEN ASK: Qnum6**

---

Qnum6 RECORD NUMBER OF UK EMPLOYEES HERE (WHO ARE WOMEN)

Permitted Range  
0 TO 999999 ()

Numeric Range \_\_\_\_\_  
Don't Know Y

---

**End of Filter inum6**

---

**IF Qwomen = Proportion/Percentage given - record at next screen  
THEN ASK: Qprop6**

---

Qprop6 RECORD PERCENTAGE HERE (OF UK EMPLOYEES WHO ARE WOMEN)

CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 100 ()		

**End of Filter iprop6**

---

Qhealth Approximately how many or what proportion of &vcomnam&'s UK employees have a health problem that affects the type or amount of work they can do? Please refer to all disabilities, including physical disabilities and any other types of illness (e.g. learning difficulties or mental illness).

Number given - record at next screen	1
Proportion/Percentage given - record at next screen	2
Don't Know	Y

---

**IF Qhealth = Number given - record at next screen  
THEN ASK: Qnum7**

---

Qnum7 RECORD NUMBER OF UK EMPLOYEES HERE (WHO HAVE A HEALTH PROBLEM OR DISABILITY THAT AFFECTS THE TYPE OR AMOUNT OF WORK THEY CAN DO)

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 999999 ()		

---

**End of Filter inum7**

---

**IF Qhealth = Proportion/Percentage given - record at next screen  
THEN ASK: Qprop7**

---

Qprop7 RECORD PERCENTAGE HERE (OF UK EMPLOYEES WHO HAVE A HEALTH PROBLEM OR DISABILITY THAT AFFECTS THE TYPE OR AMOUNT OF WORK THEY CAN DO)

CODE AS A PERCENTAGE (0-100) (E.G. HALF = 50, QUARTER = 25 ETC..)

Permitted Range  
0 TO 100 ( )

Numeric Range \_\_\_\_\_ )  
Don't Know \_\_\_\_\_ Y

**End of Filter iprop7**

**End of Filter ino**

---

Qyrem How many UK employees were on the payroll at &vcomnam& a year ago?

ENTER NUMBER

Permitted Range  
0 TO 999999 (Numeric Range)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

---

Q2yrem How many UK employees were on the payroll at &vcomnam& 2 years ago?

Permitted Range  
0 TO 999999 (Numeric Range)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

---

**IF ( Qyrem <> Qempnum OR Q2yrem <> Qempnum ) AND Qempnum <> Don't Know AND Qyrem <> Don't Know AND Q2yrem <> Don't Know THEN ASK: QYchnge**

---

QYchnge Do you have any idea why the number of employees has changed over the past 2 years?

PROMPT TO PRECODES

CODE ALL THAT APPLY

Increased demand for products and services	1
Lack of demand for products and services	2
Automation/mechanisation	3
Reorganised working methods	4
Relocation/integration	5
General expansion/increased turnover/success of business	6
Individuals left/retired	7
Reductions in budget/cash limits/cost cutting	8
Subcontracting of work	9
Staff/skills shortage	0
No particular reason	1
Don't Know	Y

**End of Filter ifalris**

---

**Now I'd like to ask you about how payroll works at &vcomnam&**

**So thinking about payroll at &vcomnam&**

---

QextIs an external body or person used at all to help with processing or managing payroll, or to give advice on matters affecting payroll? For example this could be an external payroll bureau or an accountant?

READ OUT AND CODE ONE ONLY

Yes	1
No	2
Don't Know	Y

---

**IF Qext = Yes  
THEN ASK: qINTE**

---

qINTE Is this external body or person responsible for processing the entire payroll or is some of the payroll process conducted internally?

Responsible for entire payroll	1
Part of payroll process conducted internally	2
Don't Know	Y

**End of Filter iext**

---

**IF Qext = No OR qinte = Part of payroll process conducted internally  
THEN ASK: Qstruc**

---

Qstruc Thinking about how payroll is structured at &vcomnam&, does one central payroll unit deal with payroll for &vcomnam&, or is payroll dealt with by more than one payroll unit?

READ OUT LIST

There is one central payroll unit that only deals with payroll for [+vcomnam+]	1
Payroll for [+vcomnam+] is dealt with by more than one payroll unit	2
Don't Know	Y

**End of Filter iext2**

---

**IF Qstruc = Payroll for [+vcomnam+] is dealt with by more than one payroll unit  
THEN ASK: Qunits**

---

Qunits How many payroll units are there that deal with payroll for &vcomnam&?

TYPE IN NUMBER

Permitted Range  
0 TO 999 ()

Numeric Range \_\_\_\_\_  
Don't Know Y

**End of Filter ipaylot**

---

**IF Qstruc = There is one central payroll unit that only deals with payroll for [+vcomnam+] AND ( Qext = No OR qINTE = Part of payroll process conducted internally ) THEN ASK: Qcent**

---

Qcent Does this central payroll unit deal with just payroll for &vcomnam& or does it also deal with payroll for other parts of the organisation/other organisations?

There is one central payroll unit that deals with payroll for [+vcomnam+] only 1

There is one central payroll unit that deals with payroll for [+vcomnam+] but also for other parts of the organisation 2

Don't Know Y

**End of Filter I1unit**

---

**IF tqcent = 2 OR qstruc = Payroll for [+vcomnam+] is dealt with by more than one payroll unit THEN ASK: Qcanhe2**

---

Qcanhe2 During this interview I would like to ask just about payroll for (all) employees working for &vcomnam& (as a whole). Could you provide this information or could you only answer thinking about the whole payroll unit/this payroll unit?

Yes - can answer questions 1

No - can only answer for whole payroll unit/this payroll unit 2

Don't Know Y

End of Filter ipoth

---

**IF Qcanhe2 = No - can only answer for whole payroll unit/this payroll unit  
THEN ASK: Qnumemp**

---

Qnumemp Thinking of the whole payroll unit/this payroll unit (e.g. part respondent can  
answer questions on)  
How many UK employees are there on the payroll?

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 999999 (Numeric Range)		

---

**IF Qnumemp = Don't Know  
THEN ASK: Qisit**

---

Qisit Is it...

READ OUT LIST

Less than 10	1
10-24	2
25-49	3
50-99	4
100-199	5
200-499	6
500-999	7
1000-1999	8
2000-4999	9
5000-9999	0
10000+	1
Don't Know	Y

End of Filter idunno

---

Qsame Thinking of the whole payroll unit/this payroll unit (e.g. part respondent can answer questions on)

Does it make or do the same thing as &vcomnam&?

Yes, same	1
No, different	2
Don't Know	Y

---

**IF Qsame = No, different  
THEN ASK: Qdoes, Qother**

---

Qdoes And still thinking of the whole payroll unit/this payroll unit - (e.g. part respondent can answer questions on)

Could I ask what this part of the organisation you are referring to mainly makes or does?

DESCRIBE FULLY - PROBE MANUFACTURING, PROCESSING, DISTRIBUTING ETC. AND MAIN GOODS PRODUCED, MATERIALS USED, WHOLESALE OR RETAIL ETC.

)

Don't Know	Y
------------	---

---

Qother Is there anything else that this part of the organisation makes or does?

DESCRIBE FULLY - PROBE MANUFACTURING, PROCESSING, DISTRIBUTING ETC. AND MAIN GOODS PRODUCED, MATERIALS USED, WHOLESALE OR RETAIL ETC.

)

Don't Know	Y
Nothing else	X

End of Filter idiffer

End of Filter icant

---

IF Qext = Yes  
THEN ASK: qnamme, qTYPE, Qlong, Qresfor, Qcost

---

qnamme        You mentioned that an external body or person is used for payroll. What is the name of the external body or person that you use?

TYPE IN NAME

Don't Know

Y

---

qTYPE What kind of body or person is it?

READ OUT AND CODE ONE ONLY

Accountant	1
Payroll bureau	2
Tax Consultant	3
Help from other parts of the organisation	4
Don't Know	Y

---

Qlong For approximately how long have you used this external body or person to help with payroll?

PROMPT TO LIST IF NECESSARY

Less than 6 months	1
6 months to a year	2
A year to 2 years	3
Over 2 years	4
Don't Know	Y

---

Qresfor What is this external body or person responsible for?

PROMPT TO PRECODES  
CODE ALL THAT APPLY

Undertakes payroll process (payslips, end of year tax returns etc.)	1
Provides general advice	2
Completes tax forms/end of year tax returns	3
Provides software/software updates	4
Don't Know	Y
None of these	X
Other	0

Other specify...

---

Qcost How much did &vcomnam& spend last year using this external body or person responsible for payroll purposes? Please give your best estimate of the total cost excluding VAT.

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 999999 (Numeric Range)

**End of Filter iexter**

---

Qsoft Some organisations use specialist software to help with their payroll. By this I do not mean using an Excel spreadsheet for example, but buying in specialist payroll software packages. Thinking of your payroll, is it all done manually or do you use a special system or software?

READ OUT LIST

All manual (No specialist software)	1
Specialist software used	2
Mixture of both	3
Don't Know	Y

---

**IF ( ( qsoft = Specialist software used OR qsoft = Mixture of both ) AND qintc = Part of payroll process conducted internally )  
THEN ASK: qwuse**

---

qwuse Who uses this specialist software? Is it you, or the external body or person that you mentioned earlier?

Used by us	1
Used by external body/person	2
Both	3
Don't Know	Y

---

**IF qwuse = Both OR qwuse = Used by us  
THEN ASK: Qprovid**

---

Qprovid Can I just check, is the software you use provided as part of the service received by the external company you mentioned earlier?

INTERVIEWER NOTE: CHECK THE RESPONDENT IS REFERRING TO THE EXTERNAL COMPANY THAT HELPS WITH PROCESSING OR MANAGING PAYROLL, OR GIVES ADVICE ON PAYROLL MATTERS.

Yes	1
No	2
Don't Know	Y

---

**End of Filter iwuse1**

**End of Filter isoft**

---

**IF ( Qext = Yes AND Qprovid = No ) OR ( Qsoft = Specialist software used OR Qsoft = Mixture of both AND Qext = No )  
THEN ASK: Qpaypay**

---

Qpaypay      How much has been spent on payroll software in the last year?

Permitted Range      Numeric Range \_\_\_\_\_ Y  
0 TO 9999999 ( )      Don't Know

**End of Filter Skip26**

---

**IF ( Qwuse = Used by us OR Qwuse = Both ) OR ( Qsoft = Specialist software used  
OR Qsoft = Mixture of both AND Qext = No )  
THEN ASK: Qupdate**

---

Qupdate      Do you receive regular updates or new versions from your software provider?

Yes      1  
No      2  
Don't Know      Y

---

**IF qupdate = Yes  
THEN ASK: Qupno, Qincorp**

---

Qupno      How do you receive software updates or new versions of software?

PROBE FULLY

Don't Know      Y

---

Qincorp When you receive new or updated software from your software provider does it incorporate changes to government legislation, for example on tax? This may include changes that affect payroll and how pay is calculated?

Yes	1
No	2
Don't Know	Y

**End of Filter iupdat**

**End of Filter iusesof**

---

Qflex Generally speaking, how flexible do you feel your payroll system is when incorporating changes?

READ OUT LIST

Very flexible	1
Quite flexible	2
Not very flexible	3
Not flexible at all	4
It depends	5
Don't Know	Y

---

**Thinking about payroll at &vcomnam& ...**

---

QpeepL How many people in total (including yourself) are employed to work mainly on payroll matters (by mainly, I am referring to people who spend most of their working time on payroll)?

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 9999 (Numeric Range)

---

**IF QpeepL = 1  
THEN ASK: Qyou**

---

Qyou You said that there was just one person working mainly on payroll matters. Can I just check, is that you or someone else?

Respondent	1
Someone else	2

---

**IF qyou = Respondent**  
**THEN ASK: Qhrs, Qpayhrs**  
**ELSE ASK: Qhrs1, Qpahrs1**

---

Qhrs How many hours per week do you work?

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 99 ( )		

---

Qpayhrs And how many of these hours are spent on payroll matters each week?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 99 ( )		

---

**IF qpayhrs < 1**  
**THEN ASK: qMINS**

---

qMINS How many minutes are spent on payroll matters?

Numeric Range \_\_\_\_\_  
Don't Know Y  
Permitted Range  
0 TO 60 (Numeric Range)

**End of Filter imins2**

---

Qanwge Can you tell me your approximate annual wage?

Numeric Range \_\_\_\_\_  
Don't Know Y  
Refused Z  
Permitted Range  
0 TO 999999 (Numeric Range)

---

---

**IF Qanwge = Don't Know  
THEN ASK: Qpayyb**

---

Qpayyb Is it....

READ OUT AND CODE ONLY

{Less than {a#33,000	1
{a#33,000 - {a#35,999	2
{a#36,000 - {a#39,999	3
{a#310,000 - {a#314,999	4
{a#315,000 - {a#324,999	5
{a#325,000 - {a#334,999	6
{a#335,000 - {a#349,999	7
{a#350,000 or more	8
Don't Know	Y
Refused	Z

**End of Filter ianwge**

---

Qhrs1 How many hours per week does this person work?

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 99 ()

---

Qpahrs1 And how many of these hours are spent on payroll matters?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND  
COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 99 ()

---

**IF Qpahrs1 < 1  
THEN ASK: Questi1**

---

Questi1 How many minutes are spent on payroll matters per week?

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 999999 (Numeric Range)

**End of Filter Skip6**



---

Qyou3 You said there were two people working mainly on payroll matters. Can I just check, is one of those you?

Yes	1
No	2

---

**IF** qyou3 = Yes  
**THEN ASK:** Qhrs3, Qhrspa3  
**ELSE ASK:** Qhrs5, Qhrspa5

---

Qhrs3 How many hours per week do you work?

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 99 ( )

---

Qhrspa3 And how many of these hours are spent on payroll matters?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Numeric Range \_\_\_\_\_ )  
Don't Know Y

Permitted Range  
0 TO 99 ( )

---

**IF** Qhrspa3 < 1  
**THEN ASK:** Questi3

---

Questi3 How many minutes are spent on payroll matters per week?

Numeric Range \_\_\_\_\_  
Don't Know Y  
Permitted Range  
0 TO 999999 (Numeric Range)

**End of Filter Skip7**

---

qWAGE3 Can you tell me your approximate annual wage?

Numeric Range \_\_\_\_\_  
Don't Know Y  
Refused Z  
Permitted Range  
0 TO 999999 (Numeric Range)

---

---

**IF qWAGE3 = Don't Know  
THEN ASK: Qpayb3**

---

Qpayb3Is it....

READ OUT AND CODE ONLY

Less than {a#33,000	1
{a#33,000 - {a#35,999	2
{a#36,000 - {a#39,999	3
{a#310,000 - {a#314,999	4
{a#315,000 - {a#324,999	5
{a#325,000 - {a#334,999	6
{a#335,000 - {a#349,999	7
{a#350,000 or more	8
Don't Know	Y
Refused	Z

**End of Filter Skip2**

---

**Now thinking about the second person working on payroll.....**

---

Qhours4      How many hours per week does this person work?

Permitted Range      Numeric Range \_\_\_\_\_ Y  
0 TO 99 ()      Don't Know

---

Qhrspa4      And how many of these hours are spent on payroll matters?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Permitted Range      Numeric Range \_\_\_\_\_ Y  
0 TO 99 ()      Don't Know

---

**IF Qhrspa4 < 1  
THEN ASK: Questi4**

---

Questi4 How many minutes are spent on payroll matters per week?

Permitted Range      Numeric Range \_\_\_\_\_ Y  
0 TO 999999 (Numeric Range)      Don't Know

**End of Filter Skip8**

---

Qwage4 Can you tell me this person's approximate annual wage?

Numeric Range \_\_\_\_\_  
Don't Know Y  
Refused Z

Permitted Range  
0 TO 999999 (Numeric Range)

---

**IF Qwage4 = Don't Know  
THEN ASK: Qpayb4**

---

Qpayb4 Is it....

READ OUT AND CODE ONLY

Less than {a#33,000 1  
{a#33,000 - {a#35,999 2  
{a#36,000 - {a#39,999 3  
{a#310,000 - {a#314,999 4  
{a#315,000 - {a#324,999 5  
{a#325,000 - {a#334,999 6  
{a#335,000 - {a#349,999 7  
{a#350,000 or more 8  
Don't Know Y  
Refused Z

**End of Filter Skip3**

---

Qhrs5 Thinking firstly about person 1. How many hours per week does this person work?

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 99 ()

---

Qhrspa5      And how many of these hours are spent on payroll matters?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 99 ()

---

---

**IF Qhrspa5 < 1  
THEN ASK: Questi5**

---

Questi5 How many minutes are spent on payroll matters per week?

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y  
Permitted Range  
0 TO 999999 (Numeric Range)

**End of Filter Skip9**

---

qWAGE5 Can you tell me this person's approximate annual wage?

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y  
Refused \_\_\_\_\_ Z  
Permitted Range  
0 TO 999999 (Numeric Range)

---

---

**IF qWAGE5 = Don't Know  
THEN ASK: qPAYB5**

---

qPAYB5 Is it....

READ OUT AND CODE ONLY

Less than {a#33,000 1  
{a#33,000 - {a#35,999 2  
{a#36,000 - {a#39,999 3  
{a#310,000 - {a#314,999 4  
{a#315,000 - {a#324,999 5  
{a#325,000 - {a#334,999 6  
{a#335,000 - {a#349,999 7  
{a#350,000 or more 8  
Don't Know Y  
Refused Z

**End of Filter Skip4**

---

**Now thinking about the second person working on payroll.....**

---

Qhrs6 How many hours per week does this person work?

Permitted Range  
0 TO 99 ()

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

---

QHRSPA6 And how many of these hours are spent on payroll matters?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Permitted Range  
0 TO 99 ()

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

---

**IF qhrspa6 < 1  
THEN ASK: Questi6**

---

Questi6 How many minutes are spent on payroll matters per week?

Permitted Range  
0 TO 999999 (Numeric Range)

Numeric Range \_\_\_\_\_  
Don't Know \_\_\_\_\_ Y

**End of Filter Skip10**





---

Qoave And on average, how much of their time (in hours) is spent on payroll per week?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 99 (Numeric Range)

---

**IF qoave < 1  
THEN ASK: Questi7**

---

Questi7 How many minutes are spent on payroll matters per week?

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 999999 (Numeric Range)

**End of Filter Skip11**

**End of Filter ilots**

---

Qothers And how many other employees (including yourself) spend some of their time working on payroll matters. (i.e. please exclude any staff you have already referred to)?

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 999999 (Numeric Range)

---

**IF NOT ( Qothers = 0 OR Qothers = Don't Know )  
THEN ASK: Qavhrs**

---

Qavhrs And on average, how much of their time (in hours) is spent on payroll per week?

ROUND UP TO NEAREST HOUR. IF LESS THAN 1 HOUR CODE '0' HERE AND COLLECT NUMBER OF MINUTES AT NEXT SCREEN.

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 99 ()

---

**IF QAVHRS < 1  
THEN ASK: Questi8**

---

Questi8 How many minutes are spent on payroll matters per week?

Numeric Range \_\_\_\_\_ Y  
Don't Know

Permitted Range  
0 TO 999999 (Numeric Range)

---

**End of Filter IMINS8**

---

Qavpay What is the average annual wage of these people? I would like you to give me an 'average' figure for these other members of staff who spend some of their time working on payroll matters.

Numeric Range \_\_\_\_\_ Y  
Don't Know  
Refused Z

Permitted Range  
0 TO 999999 ()

---

---

**IF qavpay = Don't Know  
THEN ASK: Questi9**

---

Questi9 Is it...

READ OUT AND CODE ONLY

Less than {a#33,000	1
{a#33,000 - {a#35,999	2
{a#36,000 - {a#39,999	3
{a#310,000 - {a#314,999	4
{a#315,000 - {a#324,999	5
{a#325,000 - {a#334,999	6
{a#335,000 - {a#349,999	7
{a#350,000 or more	8
Don't Know	Y
Refused	Z

**End of Filter Skip12**

**End of Filter inosum**

---

**SECTION 4: AWARENESS AND KNOWLEDGE OF TAX CREDITS AND PVE**

---

Qknow Thinking more specifically about government and tax legislation, which of the following do you know something about?

READ OUT. CODE ALL THAT APPLY.

National Minimum Wage	1
Working Families' Tax Credit	2
Disabled Person's Tax Credit	3
Working Time Regulations (affecting working conditions or hours worked)	4
Repayment of student loans through the employer	5
Statutory sick pay	6
Statutory maternity pay	7
Recent changes that mean more employers offer access to pension schemes	8
Don't Know	Y
None of these	X

---

IF NOT ( Qknow = Don't Know OR qknow = None of these )

---

Now I'm going to ask about the effect that some government and tax legislation has had on payroll costs at &vcomnam&?

So on a scale of 1 to 5, where 5 is highest and 1 is lowest, how big an impact have the following had on payroll costs?

---

Qeff Introduction of ...

IF NECESSARY: On a scale of 1 to 5 where 5 is highest and 1 is lowest, how big an impact has this had on payroll costs

1	1
2	2
3	3
4	4
5	5
Don't Know	Y

This question is repeated for the following loop values:

- National Minimum Wage
- Working Families' Tax Credit
- Disabled Person's Tax Credit
- Working Time Regulations (affecting working conditions or hours worked)
- Repayment of student loans through the employer
- Statutory sick pay
- Statutory maternity pay
- Recent changes that mean more employers offer access to pension schemes

A total of 8 iterations occupying columns (1530) to (1537)

**End of Filter inonul**

---

Now I'd like to ask you a bit more about Working Families' Tax Credit and Disabled Person's Tax Credit. These replaced Family Credit and Disability Working Allowance between October 1999 and April 2000.

---

Qhmmm Do you know that employers are now responsible for paying these Tax Credits direct to eligible employees through their pay packet?

Yes	1
No	2
Don't Know	Y

---

**IF qhmmm = Yes**  
**THEN ASK: Qconfi, Qquery**

---

Qconfi And thinking about your responsibilities as an employer to pay Tax Credits, how confident are you that you fully understand your responsibilities as an employer to pay Tax Credits?

READ OUT

Very Confident	1
Quite confident	2
Not very confident	3
Not confident at all	4
Don't Know	Y

---

Qquery When you have had queries about Tax Credits, which of the following have you done?

READ OUT

MULTICODE

Answered the query using information available within your own organisation	1
Got information or advice from the IR	2
Got information and advice from somewhere else (e.g. accountants, payroll advisors.)	3
Other (DO NOT READ OUT)	4
Don't Know	Y
Not had any queries	X

---

**IF vquery > 1  
THEN ASK: Qquery2**

---

Qquery2 On average, which one of these have you done most often when you have had queries in the past?

Answered the query using information available within your own organisation	1
Got information or advice from the IR	2
Got information and advice from someone else (e.g. accountants, payroll advisors.)	3
Don't Know	Y
Other (DO NOT READ OUT)	0

Other specify...

**End of Filter Skip13**

**End of Filter Skip17**

---

**The IR has done a number of things to help raise awareness of Working Families' Tax Credit and Disabled Person's Tax Credit. I'd like to ask you about these things, thinking about whether you or any other staff in your organisation have used them.**

---

Qseen Firstly, have you or any other staff seen the information pack that was sent to employers?

IF NECESSARY: Have you seen this?

Yes	1
No	2
Don't Know/Can't remember	Y

---

**IF Qseen = Yes  
THEN ASK: Qoften1**

---

Qoften1 How often has this been used?

PROMPT IF NECESSARY

Just once or twice	1
A few times	2
Have referred to it frequently	3
Didn't read it (Do not read out)	4
Don't Know	Y

---

**IF QOFTEN1 = Just once or twice OR QOFTEN1 = A few times OR QOFTEN1 = Have referred to it frequently  
THEN ASK: Qpurp1**

---

Qpurp1 Have you used the information pack to answer specific queries? IF YES: What type of queries have these been?

Yes, specific queries	1
Used for general information/background only	2
Don't Know	Y

---

**IF qpurp1 = Yes, specific queries**

**End of Filter ipurp**

---

Quse1 How useful have you found the information pack?

READ OUT LIST

Very useful	1
Quite useful	2
Not that useful	3
Not useful at all	4
Don't Know	Y

**End of Filter IOFTEN**

**End of Filter isee**

---

Qhelp Have you or other staff used the IR employer helpline for Working Families' Tax Credit and Disabled Person's Tax Credit enquiries?

Yes	1
No	2
Don't Know/Can't remember	Y

---

**IF Qhelp = Yes**  
**THEN ASK: Qoften2**

---

Qoften2 How often has this been used?

PROMPT IF NECESSARY

Just once or twice	1
A few times	2
Have used it frequently	3
Haven't used it (DO NOT READ OUT)	4
Don't Know	Y

---

**IF** qoften2 = Just once or twice **OR** qoften2 = A few times **OR** qoften2 = Have used it frequently  
**THEN ASK:** Qpurp2, Quse2

---

Qpurp2 What type of queries have you contacted the helpline with?

Don't Know Y

---

Quse2 How useful have you found the helpline?

READ OUT LIST

Very useful	1
Quite useful	2
Not that useful	3
Not useful at all	4
Don't Know	Y

**End of Filter Skip14**

**End of Filter ihelp**

---

Qsemina Have you been to any seminars about Tax Credits?

Yes	1
No	2
Don't Know	Y

---

**IF** Qsemina = Yes  
**THEN ASK:** Quse3

---

Quse3 How useful did you find the seminars?

READ OUT LIST

Very useful	1
Quite useful	2
Not that useful	3
Not useful at all	4
Don't Know	Y

**End of Filter isemi**

---

Qweb Have you or other staff looked at the IR website, for information or advice about Tax Credits?

Yes	1
No	2
Don't Know	Y

---

**IF qweb = Yes  
THEN ASK: Qoften4, Qpurp4**

---

Qoften4 How often have you used the website for this?

PROMPT IF NECESSARY

Just once or twice	1
A few times	2
Have used it frequently	3
Don't Know	Y

---

Qpurp4 Have you used the website to answer specific queries?

Yes, specific queries (RECORD DETAILS AT NEXT SCREEN)	1
Used for general information/background only	2
Don't Know	Y

---

**IF qpurp4 = Yes, specific queries (RECORD DETAILS AT NEXT SCREEN)**  
**THEN ASK: Qpurp5**

---

Qpurp5 What type of queries have these been?

Don't Know Y

**End of Filter Skip16**

---

Quse5 How useful have you found the website for tax credits information or advice?

READ OUT LIST

Very useful	1
Quite useful	2
Not that useful	3
Not useful at all	4
Don't Know	Y

**End of Filter Skip15**

---

Qvideo Have you or other staff seen the IR's video about Tax Credits?

Yes	1
No	2
Don't Know	Y

---

**IF qvideo = Yes**  
**THEN ASK: Quse8**

---

Quse8 How useful did you find the video?

READ OUT LIST

Very useful	1
Quite useful	2
Not that useful	3
Not useful at all	4
Don't Know	Y

**End of Filter ivideo**

---

Qsource Has your organisation received any other information about Working Families' Tax Credit and Disabled Person's Tax Credit from any other sources (this might be from IR sources or other external sources).

Yes	1
No	2
Don't Know	Y

---

**IF Qsource = Yes  
THEN ASK: Qwhere, qwhati, Quse4**

---

QwhereWhere did you receive this information from?

PROBE FULLY

Don't Know Y

---

qwhati What was this information?

PROBE FULLY

)

Don't Know

Y

---

Quse4 How useful did you find this other information?

READ OUT LIST

Very useful	1
Quite useful	2
Not that useful	3
Not useful at all	4
Don't Know	Y

**End of Filter idid**

---

qINFO Has your organisation provided any information to staff about Tax Credits?

Yes	1
No	2
Don't Know	Y

---

**IF qinfo = Yes  
THEN ASK: Qhow**

---

Qhow How did you communicate this information?

MULTICODE. PROMOT TO LIST.

Told staff individually	1
Staff meetings	2
By E-mail	3
Staff intranet	4
In staff newsletter	5
Through the union/staff association	6
Other written communication	7
Don't Know	Y
Other	0

Other specify...

**End of Filter iinfo**

---

**How many employees do you currently have that are receiving Working Families' Tax Credit or Disabled Person's Tax Credit through the payroll at &vcomnam&?**

**Please do not include employees that are receiving Tax Credits directly from the IRs Tax Credit Office. Only include employees you are directly paying Tax Credits to through the payroll.**

**INTERVIEWER NOTE: The Tax Credits Office will pay Tax Credits directly to employees if:**

**It is the first few weeks of an employees application**

**The employer doesn't operate a PAYE scheme**

**The employee will only be employed for a very short period of time**

**The employee's entitlement is very low**

**CODE FIGURE ON NEXT SCREEN**

---

Qmany

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 999999 (Numeric Range)

---

**IF Qmany = Don't Know**  
**THEN ASK: qtc**

---

qtc Can I just check, do you have any employees that are currently receiving Working Families' Tax Credit or Disabled Person' Tax Credit through the payroll at &vcomnam&?

Yes	1
No	2
Don't Know	Y

**End of Filter idktc**

---

**QUANCEPT ITEM:**

---

**IF Qmany = 0 OR QTC = No**  
**THEN ASK: Qever**

---

Qever Have you ever had any employees receiving Working Families' Tax Credit or Disabled Person's Tax Credit through the payroll?

Yes	1
No	2
Don't Know	Y

---

**IF Qever = Yes**  
**THEN ASK: qever1**

---

qever1 Why are you no longer paying Tax Credits through the payroll? Is it that employee(s) that were receiving Tax Credits have...

READ OUT  
CODE ALL THAT APPLY

Left the organisation	1
Still work here, but are no longer receiving tax credits through the payroll (e.g. staff who are no longer eligible to receive it or in the process of renewing their claim)	2
Don't Know	Y
Other	0

Other specify...
------------------

End of Filter iever1

End of Filter inun

---

IF qmany > 0 OR qtc = Yes  
THEN ASK: Qmorles

---

Qmorles Is this more or less than you had this time last year?

READ OUT LIST

Much more	1
More	2
About the same	3
Less	4
A lot less	5
Don't Know	Y

End of Filter iyes

---

IF Qmany > 0 OR Qever = Yes OR qtc = Yes  
THEN ASK: Qstart

---

Qstart When did you first start paying Working Families' Tax Credit or Disabled Person's Tax Credit through the payroll?

ENTER YEAR HERE AND MONTH AT NEXT QUESTION IF KNOWN

ENTER YEAR AS 4 DIGITS E.G. 2002

Permitted Range  
0 TO 2002 ()

Numeric Range \_\_\_\_\_  
Don't Know Y

---

---

**IF NOT Qstart = Don't Know  
THEN ASK: Qmonth**

---

QmonthCODE MONTH HERE IF KNOWN

(when started paying Working Families' Tax Credit or Disabled Person's Tax Credit through the payroll)

INTERVIEWER NOTE: FOR SOME EMPLOYEES, THIS WILL BE APRIL 2000 AS THIS IS WHN PAYMENT VIA EMPLOYER WAS INTRODUCED

January	1
February	2
March	3
April	4
May	5
June	6
July	7
August	8
September	9
October	0
November	1
December	2
Don't Know	Y

**End of Filter Skip25**

**End of Filter iever**

---

**IF Qever = Yes  
THEN ASK: Qstop1**

---

Qstop1 Can I ask when you stopped paying Tax Credits to (an) employee(s) through the payroll?

ENTER YEAR HERE AND MONTH AT NEXT QUESTION IF KNOWN

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 2002 (Numeric Range)

---

---

**IF NOT Qstop1 = Don't Know  
THEN ASK: Qstop2**

---

Qstop2 CODE MONTH HERE IF KNOWN

(when started paying Working Families' Tax Credit or Disabled Person's Tax Credit through the payroll)

January	1
February	2
March	3
April	4
May	5
June	6
July	7
August	8
September	9
October	0
November	1
December	2
Don't Know	Y

**End of Filter Skip24**

**End of Filter iever3**

---

**IF qmany > 0 OR qtc = Yes OR qever = Yes  
THEN ASK: Qfuture, Qgeasy, Qpayimp**

---

Qfuture In the next few months, do you expect the number of Tax Credit recipients at your organisation to rise or fall?

READ OUT LIST

Rise a lot	1
Rise a little	2
Stay the same	3
Fall a little	4
Fall a lot	5
Don't Know	Y

---

**I'd now like to ask you about your organisation's experiences of paying Working Families' Tax Credit and Disabled Person's Tax Credit through the payroll.**

---

Qgeasy Generally speaking, how easy have you found this?

READ OUT LIST

Very easy	1
Quite easy	2
Quite difficult	3
Very difficult	4
Don't Know	Y

---

Qpayimp And how big an impact has it had on payroll?

READ OUT LIST

Very big impact	1
Big impact	2
Not very big impact	3
Little impact	4
No impact	5
Don't Know	Y

**End of Filter iever2**

---

Qcosts I'd like to get an overall feel for whether you think &vcomnam& has incurred significant, moderate or minimal costs due to administering or preparing for Working Families' Tax Credit and Disabled Person's Tax Credit. So have costs so far been ...

READ OUT LIST.

IF RESPONDENT SAYS HAS HAD NO COSTS - PROMPT: Can I just check - so there have been no costs either setting things up for paying Tax Credits or administering payment of them?

Significant	1
Moderate	2
Minimal	3
Haven't had any costs	4
Don't Know	Y

---

**IF Qcosts = Significant OR Qcosts = Moderate OR Qcosts = Minimal  
THEN ASK: Qcosts1**

---

Qcosts1 And the costs that you have incurred, would you say they are largely due to:

READ OUT  
CODE ONE ONLY

Preparing to pay Tax Credits (when you first started paying the to employees)	1
Ongoing administration costs	2
Mixture of both (DO NOT READ OUT)	3
Don't Know	Y

**End of Filter inocos**

---

---

**IF ( Qcosts = Significant OR Qcosts = Moderate OR Qcosts = Minimal ) AND  
qEVER = No**

---

Even though you have not yet had to pay Working Families' Tax Credit or Disabled Person's Tax Credit to an employee, I'd like to ask you about any time or costs that may have been spent preparing to pay Tax Credits.

End of Filter inopv

---

QUANCEPT ITEM:

---

---

IF Qoption = Send postal questionnaire (collect details) OR  
THEN ASK: QAD1, QAD2, QAD3, QAD4, QPC

---

We will send you a questionnaire shortly. Can I just take down the address where we should send this to you.

**INTERVIEWER, RECORD ADDRESS AT THE FOLLOWING SCREENS**

---

QAD1 INTERVIEWER, RECORD HERE ANY PART OF THE ADDRESS THAT GOES  
BEFORE STREET NAME AND NUMBER (E.G. BUILDING NAME, FLOOR NUMBER)

)

Don't Know  
None of these

Y  
X

---

QAD2 TYPE IN STREET NAME AND NUMBER HERE

)

Don't Know

Y

---

QAD3 TYPE IN TOWN HERE

)

Don't Know

Y

---

QAD4 TYPE IN COUNTY/CITY HERE

)

Don't Know

Y

---

QPC TYPE IN FULL POSTCODE HERE

)

Don't Know

Y

---

**End of Filter inopay**

---

---

---

**IF qmany > 0 OR qtc = Yes OR Qever = Yes OR Qcosts = Significant OR Qcosts = Moderate OR Qcosts = Minimal  
THEN ASK: dtsp, Qtotal**

---

**The IR would like to assess the costs associated with Working Families' Tax Credit and Disabled Person's Tax Credit. They are interested in finding out about set-up costs (that is non-recurrent costs) and year-on-year costs (often referred to as ongoing costs or recurrent costs).**

**INTERVIEWER NOTE: AT THE FOLLOWING QUESTIONS ASKING ABOUT COSTS ASSOCIATED WITH TAX CREDITS, YOU MAY TYPE IN THE WORD 'POSTAL' IF THE RESPONDENT IS STRUGGLING TO GIVE ANSWERS OR IF THE RESPONDENT ASKS TO BE ASKED QUESTIONS IN A DIFFERENT WAY.**

---

**For each of the following questions, I'd like you to think about &vcomnam&.**

**So, thinking about the introduction of Tax Credits, which would have been some time between October 1999 and April 2000, can you tell me whether any staff did the following.....**

---

Ques ...

IF NECESSARY: Did any staff, including yourself do this when Tax Credits were introduced?

Yes	1
No	2
Don't Know	Y

This question is repeated for the following loop values:

- Read about tax credits
- Gave or received training or guidance for payroll staff about tax credits
- Adapted payroll systems for payment of tax credits
- Advised general staff about the availability of tax credits

A total of 4 iterations occupying columns (2218) to (2221)

---

QtspYou said that staff have .... Approximately how much staff time has been spent on this?

RECORD NUMBER OF DAYS, HOURS OR MINUTES

Numeric Range	_____	Y
Don't Know		

Permitted Range  
0 TO 99999 ()

This question is repeated for the following loop values:

- Read about tax credits
- Gave or received training or guidance for payroll staff about tax credits
- Adapted payroll systems for payment of tax credits
- Advised general staff about the availability of tax credits

A total of 4 iterations occupying columns (2226 - 2230) to (2241 - 2245)

---

---

QTSP1 INTERVIEWER - RECORD WHETHER ANSWER WAS IN DAYS, HOURS OR MINUTES

DAYS	1
HOURS	2
MINUTES	3
None of these	X

This question is repeated for the following loop values:

- Read about tax credits
- Gave or received training or guidance for payroll staff about tax credits
- Adapted payroll systems for payment of tax credits
- Advised general staff about the availability of tax credits

A total of 4 iterations occupying columns (2246) to (2249)

---

**QUANCEPT ITEM:**

---

Qtotal So in total, that would be approximately &vtottsp& spent on these things. Is that correct?

Yes	1
No	2
Don't Know	Y

---

**QUANCEPT ITEM:**

---

**IF Qtotal = No  
THEN ASK: Qcorrec, Qtsp2**

---

Qcorrec How much time, in total, would you say was spent on these things?

CODE NUMBER OF DAYS, HOURS OR MINUTES IN TOTAL

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 99999 ()

---

Qtsp2 INTERVIEWER - RECORD WHETHER ANSWER WAS IN DAYS, HOURS OR MINUTES

DAYS	1
HOURS	2
MINUTES	3
None of these	X

**End of Filter iwong**

---

**And thinking about the following, can you tell me whether Tax Credits have affected....**

---

Qoth ...

IF NECESSARY: Have you had this cost as a direct result of tax credits?

Yes	1
No	2
Don't Know	Y

This question is repeated for the following loop values:

- Payroll bureau costs
- Accountant costs
- New/adapting payroll software/software licences

A total of 3 iterations occupying columns (2258) to (2260)

---

qmuch How much has your organisation spent on ... as a direct result of tax credits?

RECORD ANSWER IN POUNDS

Numeric Range	_____
Don't Know	Y

Permitted Range  
0 TO 100000 (Numeric Range)

This question is repeated for the following loop values:

- Payroll bureau costs
- Accountant costs
- New/adapting payroll software/software licences

A total of 3 iterations occupying columns (2265 - 2270) to (2308 - 2313)

---

**End of Filter ipve**

---

**IF Qmany > 0 OR qtc = Yes OR Qever = Yes  
THEN ASK: dtim, Qtot**

---

**Now I'd like to ask you about ongoing costs (recurrent costs) that you have incurred as a result of paying tax credits. Can you tell me whether staff have done the following things.....**

---

Qdif ...

IF NECESSARY: Have staff done this?

Yes	1
No	2
Don't Know	Y

This question is repeated for the following loop values:

- Dealt with IR enquiries/provided information to the IR about employee applications
- Applied to the IR for funds to cover tax credits
- Produced Certificates of Payments for leavers
- Dealt with general paperwork (e.g. P14,P60,P35) and record keeping, of tax credits recipients
  
- Dealt with enquiries from employees about tax credits

A total of 5 iterations occupying columns (2314) to (2318)

---

Qtim You said staff have .... Thinking specifically about the last year, approximately how much staff time has been spent on this?

RECORD NUMBER OF DAYS, HOURS OR MINUTES

Numeric Range \_\_\_\_\_  
Don't Know Y

Permitted Range  
0 TO 99999 ()

This question is repeated for the following loop values:

- Dealt with IR enquiries/provided information to the IR about employee applications
- Applied to the IR for funds to cover tax credits
- Produced Certificates of Payments for leavers
- Dealt with general paperwork (e.g. P14,P60,P35) and record keeping, of tax credits recipients
  
- Dealt with enquiries from employees about tax credits

A total of 5 iterations occupying columns (2323 - 2327) to (2343 - 2347)

---

---

Qtsp3 INTERVIEWER - RECORD WHETHER ANSWER WAS IN DAYS, HOURS OR MINUTES

DAYS	1
HOURS	2
MINUTES	3
None of these	X

This question is repeated for the following loop values:

- Dealt with IR enquiries/provided information to the IR about employee applications
- Applied to the IR for funds to cover tax credits
- Produced Certificates of Payments for leavers
- Dealt with general paperwork (e.g. P14,P60,P35) and record keeping, of tax credits recipients
  
- Dealt with enquiries from employees about tax credits

A total of 5 iterations occupying columns (2348) to (2352)

---

**QUANCEPT ITEM:**

---

Qtot So in total, that would be approximately &vtottim& spent on these things. Is that correct?

Yes	1
No	2
Don't Know	Y

---

**QUANCEPT ITEM:**

---

**IF Qtot = No  
THEN ASK: Qcorec, Quest10**

---

Qcorec How much time, in total, would you say was spent on these things?

CODE NUMBER OF DAYS, HOURS OR MINUTES IN TOTAL

	Numeric Range _____	
	Don't Know	Y
Permitted Range 0 TO 99999 ( )		

---

Quest10 INTERVIEWER - RECORD WHETHER ANSWER WAS IN DAYS, HOURS OR MINUTES

DAYS	1
HOURS	2
MINUTES	3
None of these	X

**End of Filter Qintot**

**End of Filter ipveex**

---

Qothcos In addition to what we have covered, have there been any other costs or time spent as a direct result of paying tax credits through the payroll?

Yes	1
No	2
Don't Know	Y



End of Filter item

---

**IF Qcst = NUMBER OF DAYS GIVEN - code at next screen OR qcst = NUMBER OF HOURS GIVEN - code at next screen OR qcst = NUMBER OF MINUTES GIVEN - code at next screen  
THEN ASK: Qday, QTIMS**

---

Qday CODE NUMBER OF DAYS, HOURS OR MINUTES HERE

	Numeric Range _____	
	Don't Know	Y
Permitted Range		
0 TO 999999 ( )		

---

QTIMS CODE WHETHER ANSWERED IN DAYS, HOURS OR MINUTES

DAYS	1
HOURS	2
MINUTES	3
None of these	X

End of Filter iday

End of Filter ispy

---

**QUANCEPT ITEM:**

---

**IF NOT ( Qtba = Don't Know OR Qtba = Don't Know )  
THEN ASK: Qtelpos**

---

**IF Qtelpos = Neither**

---

**QUANCEPT ITEM:**

**End of Filter ipaper2**

**End of Filter icud**

---

**QUANCEPT ITEM:**

---

**QUANCEPT ITEM:**

---

**IF qmany > 0 OR qtc = Yes OR Qever = Yes  
THEN ASK: Qtime**

---

**I'd now like to ask you some questions about paying tax credits.**

---

Qtime Do/did you pay tax credits to staff at the same time as wages, or at a different time?

Same time	1
Different time	2
Don't Know	Y

---

**IF qtime = Same time OR qtime = Different time  
THEN ASK: qwhen**

---

qwhen When are/were (wages and) tax credits usually paid?

READ OUT

Weekly	1
Monthly	2
Some other time period	3
Varies (DO NOT READ OUT)	4
Don't Know	Y
Other	0

Other specify...

**End of Filter Skip18**

---

**IF qtime = Different time  
THEN ASK: Qrevise**

---

Qrevise Did you have to revise your payment system to pay Tax Credits at a different time to wages?

Yes	1
No	2
Don't Know	Y

**End of Filter IDIFF**

---

Qcash Have you encountered cash flow problems in any period, as a result of paying Tax Credits?

Yes	1
No	2
Don't Know	Y

---

**IF qcash = Yes  
THEN ASK: Qcash1**

---

Qcash1 What type of problems have you had?

Don't Know

Y

**End of Filter icash**

---

Qdeduct Has there been an occasion when the amount you paid out in Tax Credits was more than you deducted from the PAYE tax, National Insurance contributions and student loan repayments?

Yes

1

No

2

Don't Know

Y

---

**IF qdeduct = Yes  
THEN ASK: Qfund**

---

Qfund Have you applied to the IR for additional funding to cover this?

Yes

1

No

2

Don't Know

Y

---

**IF qfund = Yes  
THEN ASK: Qreceiv**

---

Qreceiv Are you currently receiving additional funding?

Yes

1

No

2

Don't Know

Y

**End of Filter ifund**

**End of Filter ideduct**

---

Qprobs And can I just ask, have there been any difficulties administering Working Families' Tax Credit and Disabled Person's Tax Credit through the payroll?

PROBE: What have been the main difficulties?

)

Don't Know	Y
None of these	X

---

Qben Have there been any benefits from administering Working Families' Tax Credits and Disabled Person's Tax Credit through the payroll?

PROBE: What have been the main benefits?

)

Don't Know	Y
None of these	X

---

Qsati Overall, how satisfied are you with the service that the IR provides in relation to Tax Credits (e.g. the information, advice and support it offers employers?)

READ OUT AND CODE ONE ONLY

Very satisfied	1
Quite satisfied	2
Neither satisfied nor dissatisfied	3
Quite dissatisfied	4
Very dissatisfied	5
Don't Know	Y
Not applicable	X

End of Filter Skip20

---

The introduction of tax credits has affected the employment practices of some organisations. I'd like to ask you about the impact it has had on your organisation. When answering these questions, please try and think about all employees at your organisation, not just the ones you may work with on a day-to-day basis.

---

Qrecrui Firstly, has the availability of Tax Credits helped your organisation to recruit some members of staff?

Yes	1
No	2
Can't answer - recruitment decisions made elsewhere in the organisation	3
Don't Know	Y

---

Qrecr1 And has the availability of tax credits made it difficult to recruit some members of staff?

Yes	1
No	2
Can't answer - recruitment decisions made elsewhere in the organisation	3
Don't Know	Y

---

Qwage Has the organisation made any changes to any staff wages, as a result of Tax Credits?

Yes	1
No	2
Don't Know	Y

---

IF qwage = Yes  
THEN ASK: Qwinc

---

Qwinc Have wages increased or decreased?

Increased	1
Decreased	2
Mixture - Some increased/some decreased	3
Don't Know	Y

**End of Filter Skip21**

---

Qhours And has the organisation made any changes to staff hours, as a result of Tax Credits?

Yes	1
No	2
Can't answer - Wages/salary decisions made elsewhere in the organisation (DO NOT READ OUT)	3
Don't Know	Y

---

**IF qhours = Yes  
THEN ASK: Qhinc**

---

Qhinc Have staff hours increased or decreased?

Increased	1
Decreased	2
Mixture - Some increased/some decreased	3
Don't Know	Y

**End of Filter Skip22**

---

Qenc Turning now to staff, do you think the introduction of Tax Credits has encouraged some new people to work at your organisation?

IF YES, PROBE FOR DEFINITELY/POSSIBLY

Yes - definitely	1
Yes - possibly	2
No	3
Don't Know	Y

---

Qenc1 And do you think Tax Credits may have discouraged others?

IF YES, PROBE FOR DEFINITELY/POSSIBLY

Yes - definitely	1
Yes - possibly	2
No	3
Don't Know	Y

---

**IF qmany > 0 OR qtc = Yes OR qever = Yes  
THEN ASK: Qstay, Qshort**

---

Qstay As a result of Tax Credits, do you think some staff have stayed longer at the organisation than they might have done otherwise?

IF YES, PROBE FOR DEFINITELY/POSSIBLY

Yes - definitely	1
Yes - possibly	2
No	3
Don't Know	Y

---

Qshort And as a result of Tax Credits, do you think some staff have changed the hours they work?

IF YES, PROBE FOR DEFINITELY/POSSIBLY

Yes - definitely	1
Yes - possibly	2
No	3
Don't Know	Y

---

**IF qshort = Yes - possibly OR qshort = Yes - definitely  
THEN ASK: Qshort1**

---

Qshort1 Have staff hours increased or decreased?

Increased	1
Decreased	2
Mixture - Some increased/some decreased	3
Don't Know	Y

**End of Filter ishort**

**End of Filter Skip19**

---

Qothrec Is there anything else that you would like to add about how Tax Credits may have affected employment practices within your organisation?

PROBE FULLY

)

Don't Know	Y
None of these	X

---

Qwanum The IR has an Employers Helpline. Would you like the telephone number for this in case you need to get help or advice in relation to Working Families' Tax Credit and Disabled Person's Tax Credit?

Yes	1
No	2
Don't Know	Y

---

**IF qwanum = Yes**

---

**The employers helpline number is 0845 714 3143.**

**End of Filter Skip23**

---

Qend Lastly, can I ask if there is anything else you would like to say about Tax Credits that has not been covered during this interview?

Don't Know

Y

## Postal Questionnaire

You kindly agreed to provide some more information about the time and costs associated with Working Families Tax Credit and Disabled Person's Tax Credit (tax credits). Please complete the questions below for your organisation. Even if you do not have any employees receiving tax credits, you may have incurred costs associated with preparing to pay tax credits.

PLEASE GIVE YOUR ANSWERS TO THE QUESTIONS IN THE SPACES PROVIDED. PLEASE GIVE ESTIMATES IF NECESSARY.

### SET UP COSTS

**Q1 Since tax credits were introduced, (which would have been some time between October 1999 and April 2000) how much time has been spent on the following by any staff in your organisation?**

*[For each item below, please write in the number of days, hours or minutes]*

*For example, if 5 hours spent, write in*

Number of days Hours Minutes

- a) Reading about tax credits
- b) Giving or receiving training or guidance for payroll staff about tax credits
- c) Adapting payroll systems for payment of tax credits
- d) Advising general staff about the availability of tax credits

**Q2 Now thinking about the following costs, how much did your organisation spend on the following as a direct result of tax credits?**

NOTE - please only include costs which were a direct result of paying tax credits

*[for each item below, please write in the cost in £. If no costs, please write "0"]*

- a) Payroll bureau costs
- b) Accountant costs
- c) New/adapting payroll software or software licences  
*days hours minutes*

### ONGOING TIME/COSTS

**COMPLETE Q3 IF YOU HAVE EVER HAD ANY EMPLOYEES RECEIVING WORKING FAMILIES' TAX CREDIT OR DISABLED PERSON'S TAX CREDIT THROUGH THE PAYROLL. OTHERWISE GO TO Q4.**

**Q3 This question is about ongoing costs (recurrent costs) that you have incurred as a result of paying tax credits. Thinking specifically about the last year, approximately how much staff time has been spent on the following?**

*[For each item below, please write in the number of days, hours or minutes]*

*For example, if 5 hours spent, write in*

Number of days Hours Minutes

- a) Dealing with Inland Revenue enquiries/ providing information to the Inland Revenue about employee applications
- b) Applied to the Inland Revenue for Funds to cover tax credits
- c) Producing Certificates of Payments for leavers
- d) Dealing with general paperwork (e.g. P14,P60,P35) and record keeping of tax credits recipients
- e) Dealing with enquiries from employees about tax credits

**EVERYONE TO COMPLETE THIS SECTION**

**Q4. In addition to what has been covered in this questionnaire, have there been any other costs or time spent as a direct result of paying tax credits through the payroll?**

*[Please tick one box below]*

Yes (PLEASE SPECIFY) \_\_GO TO Q5

.....

- No
- Don't know

IF YOU ANSWERED "YES" AT Q4

**Q5. What has been the cost or number of days involved?**

Number of days Hours Minutes

**THANK YOU FOR YOUR IMPORTANT CONTRIBUTION TO THIS STUDY.  
NOW PLEASE RETURN THIS QUESTIONNAIRE TO BMRB IN THE ENVELOPE PROVIDED.  
NO STAMP REQUIRED.**

