



**EUROPE & SCOTLAND**  
European Regional Development Fund  
Investing in a Smart, Sustainable and Inclusive Future



**EUROPE & SCOTLAND**  
European Social Fund  
Investing in a Smart, Sustainable and Inclusive Future

## **Back Pay Examples for the 2014 – 2020 ESF National Rules**

Back pay, for the pay period(s) that a member of staff has worked on an Operation, is an eligible cost. The following are examples of some of the different scenarios with details of how to calculate what should be claimed.

**Please note:** all calculations and accompanying documents should be kept for audit and verification purposes.

<p>Full time member of staff who has been working 100% on the Operation for the whole of the pay period the back pay covers. This also covers part-time staff who work 100% on the Operation.</p>	<p>No calculation is necessary as all of the back pay will be eligible and should be claimed in the normal way</p>
<p>Full time member of staff who has been working 100% on the Operation for part of the pay period the back pay covers, who started at the beginning of a month. This also covers part-time staff who work 100% on the Operation.</p>	<p>LP's payroll/finance team will be able to provide the breakdown of the back pay. LP should claim the pay periods that the member of staff has worked on the Operation. LP to calculate the apportionment of the employer's NI and employer's superannuation (pension) for the eligible period. See section 4.2.2 of the National Rules on Eligibility of Expenditure and Annex A</p>
<p>Full time member of staff who has been working 100% on the Operation for part of the pay period that the back pay covers who started in the middle of a month. This also covers part-time staff who work 100% on the Operation.</p>	<p>LP's payroll/finance team will be able to provide the breakdown of the back pay. LP should claim the pay period from when the member of staff worked on the Operation. To calculate how much back pay should be claimed for the starting pay period the LP should divide that pay period back pay by the number of working days in the pay period and multiply this by the number of days the staff member has worked. E.g. member of staff started work on 12 November which has 22 working days, they worked 15 days on the Operation and back pay for the period is £85. Calculation is <math>£85 \div 22 \times 15 = £57.95</math>. LP also needs to calculate the apportionment of the employer's NI and employer's superannuation (pension) for the eligible period. See section 4.2.2 of the National Rules on Eligibility of Expenditure and Annex A</p>

Member of staff working part-time on the Operation

LP's payroll/finance team will be able to provide the breakdown of the back pay. LP to calculate the apportionment of the employer's NI and employer's superannuation (pension) for each pay period. See section 4.2.2 of the National Rules on Eligibility of Expenditure. The LP should create an electronic copy of the staff member's completed timesheets for each pay period the back pay covers and replace the pay details with the pay period back pay and apportioned employer's NI and employer's superannuation see extract from timesheet on Annex A) The calculations on the timesheets will give the LP the amount that should be claimed.

## Annex A

### Apportioning Employer's NI and Employer's Superannuation (Pension)

Employer's National Insurance	Amounts
Gross Pay	£2,759.79
Employers NI	£314.04
Ineligible amount	£500.00

Percentage of NI (NI / Gross Pay)	11.38%
Monthly back pay	£85.00
NI to be claimed (Eligible cost multiplied by the percentage of NI)	£9.67

Employer's Superannuation	Amounts
Gross Pay	£2,759.79
Employers Employer's Superannuation	£599.00
Ineligible amount	£500.00

Percentage of Employer's Superannuation (Employer's Superannuation / Gross Pay)	21.70%
Monthly back pay	£85.00
Employer's Superannuation to be claimed (Eligible cost multiplied by the percentage of Employer's Superannuation)	£18.45

#### Extract from time sheet

Total ESIF Funded Hours	86.50
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Basic Pay	£85.00
Employer's National Insurance	£9.67
Employer's Superannuation	£18.45
Allowances	£0.00
Total Monthly Costs	£113.12
Monthly Contracted Hours	143.3
Hourly rate of pay for this period	£0.79
Total to claim	£68.34