



## Payroll Advance

### Policy brief & purpose

York Childcare recognises that, from time to time, employees may incur unexpected emergency costs. This policy describes YCs terms for advancing pay to our employees as an emergency short-term loan.

### Scope

This policy applies to all of our permanent full-time or part-time employees who receive a salaried income each month, regardless of position.

### Policy elements

“Payroll advance” refers to employees receiving a portion of their pay before their next normal payday. This does not include any money paid to the employee for work-related expenses.

YC is not obliged to pay employees in advance. YC may choose to do so if employees have legitimate reasons; **decisions to pay in advance will be made at management discretion.**

### Conditions for requesting a payroll advance

Employees can ask for a pay advance if they:

- Have been an employee for one full month
- Have not asked for a pay advance in the past six months.

These conditions apply to all eligible employees without discrimination against rank or position.

Employees should have a legitimate reason to ask for advance pay, usually an unexpected or unavoidable occurrence. Examples of such reasons are having to pay for:

- Family or personal emergencies
- Medical Bills not covered by insurance
- Car repairs not covered by insurance

### Payroll advance terms

The minimum advance pay is £100 and cannot exceed 25% of employees' monthly net pay. If employees find themselves in need of more frequent or larger pay advances than they are allowed, they should discuss the situation confidentially with HR. Senior Management may decide to make exceptions on a case-by-case basis.



YC will deduct the amount of the advance pay from an employee's future paycheck. This may mean:

- Deducting the full amount from their next paycheck.
- Repaying the amount in instalments against a maximum of 3 future monthly pay amounts.

The repayment terms must be in writing and signed by the relevant member of staff as well as the CEO. Repayment terms will comply with the law if it places restrictions on the deductible amount or if it prohibits paycheck deductions altogether.

YC will not charge any administrative fees or interest.

If an employee resigns or has their employment terminated before they repay their payroll advance, HR is responsible for reaching a new agreement with the employee or deducting the entire remaining amount from the final paycheck. Any relevant legal requirements must be followed.

Employees who want to request a payroll advance should ask HR in writing and must include:

- Reasons for requesting the advance.
- State the amount of money they want to receive in advance.
- State the date they would like to receive the advance if there is a deadline.
- Confirm acceptance of this policy's terms.

This procedure must be followed:

1. Employees should submit the request in writing to HR.
2. HR and CEO will review the request and decide whether to grant the employee's request within two days of receiving the request. For amounts over £150, YC Trustees will be contacted for approval. If the request is approved, HR will create an agreement on pay advance and repayment terms. The agreement must be signed by the CEO and the employee and include relevant dates.
3. HR will arrange for the employee to receive the sum requested by bank transfer within three working days of approval by the CEO or by the agreed deadline.

If the request is denied, HR will inform the employee within one business day of the decision being made.