



01495 742500
www.gatewaycu.co.uk

Gateway Credit Union Ltd is Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority and the Prudential Authority ref 214010



your local savings & loans co-operative

Mutual Benefits for Employers & Employees

Payroll Savings Scheme

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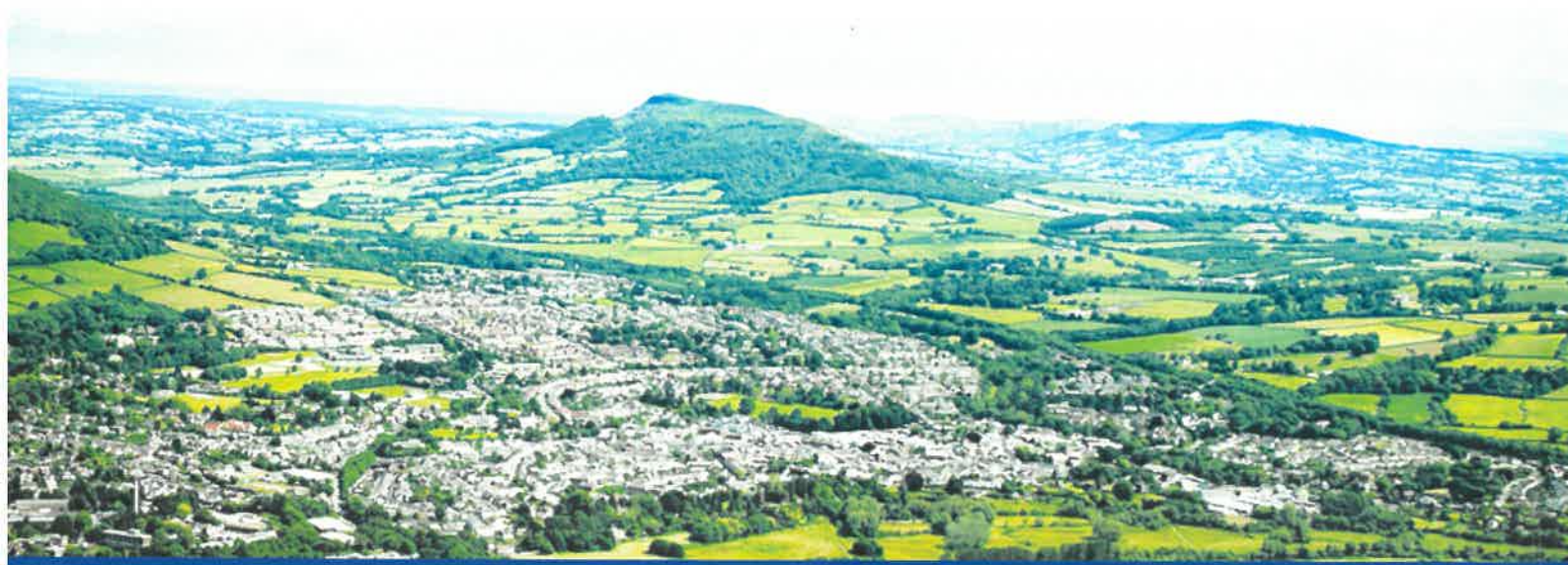
Any Questions?

Give us a call on:

01495 742500

or

Email: info@gatewaycu.co.uk



We look forward to meeting you soon!

Section 6

Operating the Scheme

The credit union and the employer will provide a single point of contact (plus deputy) for each organisation.

Contact and Deputy Details:

Name

Telephone

Email

2. The credit union will obtain a signed mandate for payroll deductions (including any changes) and send this to the employer by the

Decision Date:

Each Month

3. The employer will provide the credit union (by email to payroll@gatewaycu.co.uk) with an Excel spreadsheet in a format we supply listing all deductions for the month as soon as possible after the pay date. The Excel spreadsheet should show at least the unique payroll or membership number, value of individual deduction, and total value of all deductions for all employees.
4. On average credit union members make one change to payments per year.
5. The employer will transfer the full value of all payroll deductions to the credit union account by BACS transfer as soon as possible after the pay date.
6. Employees savings will be credited to their account on the first working day after the monthly Excel spreadsheet notifying of payments is received.
7. The deduction is made after tax, and should appear on the payslip simply as 'Credit Union', with no cumulative figure shown to avoid confusion over savings balances.
8. All enquiries about credit union accounts should be directed straight to the credit union office.
9. Our account details for transferring funds deducted are as follows:

Account held with Lloyds Bank in the name of: Gateway Credit Union Ltd
Sort Code: 30-92-49 • Account Number: 41569068

Gateway Credit Union Ltd, 21 Commercial St, Pontypool. NP4 6JQ
01495 742500 • www.gatewaycu.co.uk

For more information on Credit Unions go to
www.abcui.org.



Section 1

What is the payroll savings scheme?

About Gateway Credit Union

Gateway Credit Union is a not for profit savings & loans co-operative established in 1997 in Torfaen, and in Monmouthshire since 2008. Since that time the members have accumulated over £2,700,000 in savings and the credit union has a loan book of over £1.750,000, meaning we can now offer larger loans and car loan schemes. Membership is now over 3,500 and rising. We now welcome members from across the region.

Credit Union Services

Anyone who saves with Gateway Credit Union automatically becomes a member of the co-operative and savings can be withdrawn upon demand. Any member can apply to borrow from the pool of money formed by the members' savings. Because it is a mutual, loans are low cost and flexible. As there are no external shareholders the credit union is run wholly for the benefit of members.

Ethics, Values & Principles

The primary objective of the credit union is to promote sound financial management by encouraging people to save regularly and borrow responsibly. All borrowers are required to save a small amount, so as the loan is paid off, the member accumulates savings. Over time members build up savings and end the cycle of borrowing. The credit union works closely with organisations which can support members in financial difficulties, and often lends to members with a poor credit history. In assessing loans we aim to ensure that the loan is not only affordable but in the member's best interests.

Payroll Savings Scheme Includes:

A single deduction from salary, which we then split between savings and loan accounts as instructed by the member.

Young Savers accounts for children.

Christmas Club and holiday accounts

Cash ISA savings

Low cost loans, with no set up fee, and repayment periods to suit the employee. Loans from £50 to £10,000 over periods from a few weeks to 5 years, for any purpose.

Free Life insurance on loans for all members of working age.

All services are managed directly by the credit union and we accept full liability for the operation of the scheme. All enquiries and savings withdrawals are made through Gateway's offices in Torfaen and Monmouthshire (or our phone and web services) and a clear distinction is made between the employer and the credit union savings scheme. We pay an annual dividend on savings, and competitive interest on our ISA and children's savings accounts.

Financial Security

The credit union is authorised and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The regulation is similar to that of banks and building societies, requiring robust financial systems, training of staff, and internal/external audit systems. Insurance policies protect member's savings from fraud, theft and dishonesty. Ultimately the members' savings are protected against business failure by the Financial Services Compensation Scheme, which can guarantee savings up to £85,000 per person.





Section 2

Benefits to the employer

The Credit Union payroll savings & loans scheme can help reduce your staff turnover and absenteeism costs associated with financial stress in employees as well as meeting your corporate social responsibility objectives. Being a good employer is good for business.

The Welsh Government, Monmouthshire and Torfaen Councils and local Housing Associations are all strong supporters of Credit Union membership. The Chartered Institute of Payroll Professionals encourages its members to provide credit union deductions as part of a normal payroll service.

Research by Mind (2018) reveals that of 44,000 employees surveyed, nearly half (48%) say they have experienced a mental health problem in their current job.

Mind (2018) finds that poor mental health at work is costing employers around £33 billion per year as a result of absence, performance and staff turnover. It makes sense to support employees who are struggling with money problems.

“ Stress poses a risk to most businesses and compensation payments for stress are increasing. It is important to meet the challenge by dealing with excessive and long-term causes of stress”

Chartered Institute of Personnel and Development

“Money worries can be debilitating. With the news that almost 9 million people in the UK are living with 'serious' debt problems, and that household debt has reached a record high of £1.43 trillion, one might wonder what kind of effect this is having in the workplace.

Research has singled out money as the single most stressful concern faced by workers at small and medium businesses (SMEs).

More than one in three workers (34 per cent) experiencing stress in the workplace put their troubles down to money worries. Work and family issues were next, reported by 31 per cent and 18 per cent of respondents respectively in the survey carried out by Axa PPP.

Almost half of SME employees said that they felt stressed at work two or more times a week. Despite this nearly three quarters of employers said they had no initiatives to support positive mental health, two thirds said they didn't provide stress training for managers, and more than a half didn't monitor employee stress levels.

While it may be beyond the scope of employers to remedy their employees' money worries, there are certainly steps that they can take to monitor and alleviate levels of stress at work”.

Acas website.

Example Spreadsheet detailing deductions

Employer A Fiction and Co				
Pay Group 2				
Tax Year 18/19				
Period 9				
Pay Date 10/04/2018				
Grand Total				
001234	S	Bloggs	SG648493B	10.00
009102	J	Jones	YT916370C	50.00
003125	J	Smith	JG389451D	250.00
003940	L	Watkins	NX376905C	200.00



Section 5

Frequently asked questions continued...

How much can a member borrow?

We base every loan decision on the member's ability to repay the loan. Our maximum loan is £10,000 over up to 5 years.

Do staff have to save before they can borrow?

No. We welcome loan applications from people who have not yet joined, provided they qualify as members based on where they live or work. If the loan is approved we require them to join and start saving alongside their loan repayments.

Do you use credit reference agencies?

We do not credit check savers but we use a credit report as part of loan assessment. We often lend to members who have been made redundant, been ill or divorced and who have a poor credit history as a result, but are careful to avoid over-indebting our members. We may also use a Credit Reference Agency to verify a member's identity and address, avoiding the need for them to supply ID documents etc.

What is the free life insurance?

All members of working age receive free life insurance cover which in the event of death would pay off any credit union loans taken out before their 70th birthday (provided the member was in good health when they took out the loan).

Who runs the Credit Union?

Gateway Credit Union is run by a volunteer Board of local people, elected by the members. We are keen to meet potential Board members with business experience, particularly in finance, human resources or marketing. We have a small staff team and over 50 local volunteers who provide services in their local community, including our loans granting and internal audit teams.

An impressive 140 businesses across Wales have gained the Credit Unions of Wales Payroll Partner mark for helping staff save and borrow responsibly while also benefitting the local community. The mark was launched to recognise those employers who are committed to the financial wellbeing of their staff. Hollywood actor Michael Sheen, the Patron of the Credit Unions of Wales, voiced his support for the initiative in a video message which was played at the launch of the Payroll Partner mark in Cardiff. "Employers have an opportunity to make a massive difference in the way we work together to improve access to affordable credit," he said. "Families in Wales have the smallest average savings in the UK, with an average of £875 of savings per household, this represents only 28 per cent of the UK average. "Nearly 21 per cent don't have any savings at all, including large numbers of people who are in employment." The mark has the backing of the Welsh Government's Housing and Regeneration Minister Rebecca Evans who hoped it would 'inspire' employers. "Credit Unions offer people a great way to save and borrow responsibly and to keep in control of their finances," she said. "There are real benefits for employees and employers in partnering with credit unions, and I hope employers across Wales are inspired to get involved." The Credit Unions of Wales Payroll Partner scheme sees employers work with their local credit union to offer the ability to save, or repay a loan, direct from their salary. In turn, as credit unions are essentially not-for-profit community banks, the money saved benefits the local community and economy.



Credit Unions of Wales 2018

Section 3

Benefits to the employees

The Credit Union can help employees in a number of ways, primarily by encouraging saving as a way of preventing over indebtedness, and coping with anticipated expenses such as Christmas, car repairs and home improvements. It offers support to staff who need assistance with things such as budgeting, and crucially, offers a low cost source of credit which can greatly reduce the cost of borrowing at those times when it's necessary, avoiding the spiral of debt associated with payday loans.



For staff who already have healthy personal finances, Credit Union membership and payroll saving offers a way to invest in the local community, in partnership with their employer, while getting competitive rates on products such as ISA savings, children's savings and loans for cars and home improvements.

Living standards in Wales are struggling to return to 2008 levels, 10 years on from the financial crisis, a business leader has said. The typical household income has grown by just 1.1% since 2008-09, the smallest rise in UK wages outside London and the south east. House price growth has also been slow, growing by 21% - the second lowest increase in the country. Workers told the BBC the crash has hit "every community".

A decade ago this week, the US investment bank Lehman Brothers collapsed, sending shockwaves through the global financial system. Ian Price, director of business association CBI Wales, said Wales was not hit in the same way as London when the crisis struck, but has had a hard time returning to the growth it experienced before September 2008.

"It obviously had an impact but because we haven't got a large financial sector it probably didn't have the impact in Wales as it did in London or the south east," he said. Business growth "slowed down for two or three years" but Mr Price said it was in the "best place" since the crash, despite not returning to pre-crisis levels.

BBC 14th Sept 2018

Section 4

Employers already providing the service

Many major UK employers are already offering their staff a payroll deduction savings & loans scheme through a credit union, including:

BAE Systems
Royal Mail,
British Airways
the NHS
Tata Group,
Go-Ahead Group
Stagecoach
Kier Construction Group
Enterprise plc,
Veolia Environmental Services

Gateway Credit Union already provides payroll savings and loans to staff of:

Torfaen Council
Monmouthshire County Council
Bron Afon Community Housing
Pobl Group
Melin Homes
Aneurin Bevan Health Board

Monmouthshire Mind
Celtic Manor Resort
Monmouthshire Housing
Robert Price Builders Merchants
H&H Engineering
Cartrefi Cymru

These employers find that the credit union's work in promoting savings amongst employees reduces employee absenteeism, sickness and staff turnover as well as meeting their responsibilities as a good corporate citizen.

The credit union takes all responsibility for the operation of the scheme, with the employer just facilitating monthly deductions from salary. All contacts and queries are dealt with by the credit union, making it administratively simple for employers.

Employers have no access to information on Credit Union accounts.

"Credit unions aren't just an oasis for those struggling to qualify for high street borrowing. As community co-operatives, they can also appeal to those who want to benefit their neighbours."

And while savings rates are extremely low, credit unions can sometimes beat high street rates."

Martin Lewis, Money Saving Expert.com



Section 5

Frequently asked questions

Does it cost the employer anything?

No. The credit union provides this service to your business without charge.

Does it cost our employees anything?

There is an annual membership Fee of £2 which is deducted from the savings payment. Apart from interest on any loans, there are currently no other fees or charges for an active credit union savings/loans account.

Is it a lot of work for our payroll staff?

All enquiries of any kind at all are dealt with by the credit union office. The employer need not be involved in anything but a single monthly emailed spreadsheet and BACS funds transfer.

Can members access their account online?

Yes, members can register for online access at our website www.gatewaycu.co.uk. Members can check balances, request withdrawals and apply for loans online. We also provide telephone and email access and have offices in Pontypool, Cwmbran, Abergavenny and Chepstow for personal enquiries.

Is the money safe?

Yes. Savings are protected by the Financial Services Compensation Scheme, currently up to £85,000 per person. Members and employers are welcome to attend the Annual General Meeting and scrutinise the annual report and accounts.

What rate of interest do you charge on your loans?

Our interest rates depend on the size of the loan. Payroll members borrowing over £2000 qualify for discounted 'Partner' rates. Our lowest rate is currently 6.2% for loans over £7,500 and our highest rate (for loans under £500) is 42.6% APR. Interest is charged on the reducing balance and there are no application or early repayment fees. A £1,000 loan paid back in 12 months will incur total interest of £169.84 (34.5%) APR.

How much interest do you pay on savings?

We pay a 'dividend' rather than a fixed rate of interest. This is paid annually, and is a share of the credit union's surplus in the previous year. We pay interest on our Cash ISA (1.25% in 2018-19) and children's accounts (1.9%). Historic dividends have been between 0.25% and 1.25%

How do people pay into the Credit Union savings accounts?

Many employers allow staff to save directly from salary. Members can also pay by standing order, by cheque, cash or PayPoint, or arrange to have a benefit (eg Child Benefit) paid into the Credit Union. There is no minimum savings payment, unless the member has a loan.

We have staff employed outside the area. Can they join?

Yes, once an employer has joined the scheme, all their staff have the opportunity to join Gateway.

All rates as at October 2018