

**CENTRAL SWINDON NORTH  
PARISH COUNCIL**

**EMPLOYEE HARDSHIP ADVANCE  
POLICY**

DRAFT for Review

## **1. Introduction**

1.1 There should be few circumstances where an advance of salary is warranted to an employee in case of financial hardship, but from time to time the Parish Council recognise that there may be times where a 'bridging' requirement is needed to meet an unexpected cost.

1.2 In such exceptional circumstances the Parish Manager is authorised to consider an advance for an employee provided certain criteria are met.

## **2. Definitions**

2.1 Hardship: In the context of this policy, hardship is defined as 'unforeseen financial situation with consequence'. An example could be to repair/replace a faulty household appliance or an unexpected car repair which would impede on the officers ability to access work or to travel eg: Family Funeral.

2.2 Salary Advance: A payment of salary in advance of the usual pay date. Usually recovered via payslip recovery. The length of time is to be decided by the Parish Manager but the repayment time cannot exceed 12 months.

## **3. Duties**

3.1 The Parish Manager as the RFO is responsible for the implementation and arranging the payment to the employee.

3.2 The Parish Manager is responsible for monitoring salary advances and their recovery, and accounting for them in line with accounting policies.

3.3 Officers are responsible for effectively managing their own finances, and if need arises to apply this policy, are responsible for ensuring they follow the appropriate application process outlined within.

3.4 Auditing of Hardship payments will be completed by the F&S Committee monthly in the same way as all other outgoing payments.

## **4. Hardship Salary Advance Process**

4.1 Hardship advances should be to a maximum value of £1500, with repayment usually being made by deduction from salary within a maximum of 12 months or before the end of the financial year, whichever is sooner.

4.2 The Parish Council is aware that such advances are agreed on a one off basis, one payment will not guarantee future payments. Maximum of one advance can be paid within a 12 months period.

## **5. Application Process**

5.1 Individuals must complete and sign the 'CSNPC Parish Salary Advances to Employees - Hardship Form'.

5.2 The employee's signature is required in order to comply with the Employment Rights Act 1996 and to agree the repayment terms.

5.3 Advances will be subject to Income Tax, National Insurance & Pension payments. Non payment through resignation/termination can be recovered in the same way as an 'overpayment of wages'. If unrecoverable through debtor means this can be referred to the County Court.