Pension (Automatic Enrolment) Guidance Notes

To use the Automatic Enrolment Pension successfully, the following procedures need to be carried out within CIA and PAYE Plus.

CIA

Within CIA you will need to ensure you have nominal codes setup for Pension Control and Employer Pension Contribution. The control account will need to be a Balance Sheet nominal and the Employer Pension Contribution either a Trading or Profit & Loss (depending on whether you job cost the employer entry).

PAYE Plus

Company Setup

Within Company>Company Setup>General Preferences. Under the section headed The Pension Regulator, enter the staging date relevant to your company. Only tick Postponement and enter deferral date if relevant. Under Provider, select the pension provider you are using from the drop down menu. ID and Payment source will only become available if relevant to the Provider selected. If these fields do become available they are mandatory requirements. Once all details have been entered, remember to [Save].

Pay Codes

Within Company>Pay Codes, setup the Pay codes required for the Employee and Employer contributions.

Select **Pay Codes** from the Company Menu, the List View screen for Pay Codes will display. From this screen you are able to Add, Edit and Delete a Pay Code. Select Add.

Employee Contribution

The screen will display as below, follow the instructions to setup the pay code for the Employee Contribution.

Code	
Description	
Type	▼
Default Rate	£0.00
Percentage Of	▼
Percentage Of Codes	…
Factor Of	…
Factor	0.0000
Payment/Deduction	▼

☐ SSP?
☐ SMP?
☐ SPP
☐ ShPP
☐ SAP?

☐ Employer Entry?   ☑ Taxable? ☑ NIable?

☐ Pension Pay Code? ☐ Net Pay Arrangement Pension?

☐ Employee Automatic Enrolment Pension Pay Code?

☐ Employer Automatic Enrolment Pension Pay Code?

☐ Apply to Qualifying Earnings Only?

☑ Job Costed?   ☐ Pro Rata?

Nominal		…
Debit Nominal		…
Credit Nominal		…

☐ Duplicated By Periods? ☑ Show On Payslip?

☐ Apply To All Employees?

Department All ▼

Save   Cancel

Code
Enter a code for this Pay Code, e.g. EEPEN. The code cannot be changed once the details have been saved.

Description
Enter the description for this Pay Code. E.g. Employee Pension Contribution. This description will show on the Employees Payslip.

Type
Enter relevant type using the lookup. (The usual for pension is Percentage).

Default Rate
This option will only be available if Type "Rate" was selected. If you enter a default rate this will apply to all employees. If not, leave as 0.00 and the applicable rate can be entered via the employee menu.

Percentage Of
This option will only be available if Type "Percentage" was selected. Use the drop down option to select either Gross, Net or Other Pay Codes.

Percentage
This option will only be available if Percentage Of "Other Pay Codes" was

Of Codes	selected. Use the lookup option and multi –select the pay codes that you wish the pension to be applicable to.
Factor Of	This option is not applicable to Pension Contributions.
Factor	This option is not applicable to Pension Contributions.
Payment/ Deduction	Select Deduction.
SSP? SMP? SPP? ShPP? SAP?	Leave these boxes unchecked, they are not relevant for Worksheet Pay Codes.
Employer Entry?	This option is not applicable for Employee Pension Contributions.
Taxable?	Tick this option only if you require the deduction to be taken off before tax is calculated.
NIable?	Tick this option only if you require the deduction to be taken off before NI is calculated.
Pension Pay Code?	Tick this option.
Net Pay Arrangement Pension?	Tick this option only if your pension is a Net Pay arrangement Pension.
Employee Automatic Enrolment Pension Pay Code?	Tick this option for Auto Enrolment.
Apply to Qualifying Earnings Only?	Tick this option if your pension is calculated using the Automatic enrolment earnings threshold.
Jobcosted?	It would not be usual to tick this option as you would then be costing the pay less the pension.
Pro Rata?	Will only be enabled if Jobcosted is ticked.
Nominal	You will need to enter the Pension Control (Balance Sheet) nominal here.
Debit Nominal	This option will not be available.
Credit Nominal	This option will not be available.

Duplicate By Periods?	This is used if you wish to deduct Pension, when you advance pay weeks.
Show on Payslip?	Tick this option for the deduction contribution to be shown on payslip.
Apply to All Employees?	Tick this option if you wish to apply to all employees or employees within a Department.
Department	The default is "ALL", leave this if the code applies to all employees within your payroll or select the drop down option and select the relevant department.

Ensure you select the [Save] button to save your entries to the database.

Employer Contribution

Next, you will need to setup the Pay Code for the Employer Contribution. From **Pay Codes** select Add. The screen will display as above, follow the instructions to setup the Employer Contribution Pay Code.

Code	Enter a code for this Pay Code, e.g. ERPEN. The code cannot be changed once the details have been saved.
Description	Enter the description for this Pay Code. E.g. Employer Pension Contribution. This description will show on the Employees Payslip.
Type	Enter relevant type using the lookup. (The usual for pension is Percentage).
Default Rate	This option will only be available if Type "Rate" was selected. If you enter a default rate this will apply to all employees. If not, leave as 0.00 and the applicable rate can be entered via the employee menu.
Percentage Of	This option will only be available if Type "Percentage" was selected. Use the drop down option to select either Gross, Net or Other Pay Codes.
Percentage Of Codes	This option will only be available if Percentage Of "Other Pay Codes" was selected. Use the lookup option and multi –select the pay codes that you wish the pension to be applicable to.
Factor Of	This option is not applicable to Pension Contributions.
Factor	This option is not applicable to Pension Contributions.
Payment/ Deduction	Select Payment.
SSP? SMP? SPP?	Leave these boxes unchecked, they are not relevant for Worksheet Pay Codes.

ShPP? **SAP?**	
Employer Entry?	Tick this option for Employer Contribution.
Taxable?	This option is not applicable if Employer Entry was selected.
NIable?	This option is not applicable if Employer Entry was selected.
Pension Pay Code?	Tick this option.
Net Pay Arrangement Pension?	Tick this option only if your pension is a Net Pay arrangement Pension.
Employer Automatic Enrolment Pension Pay Code?	Tick this option for Auto Enrolment.
Apply to Qualifying Earnings Only?	Tick this option if your pension is calculated using the Automatic enrolment earnings threshold.
Jobcosted?	This would usually be ticked so that the cost of the pension is allocated to your jobs.
Pro Rata?	Tick this option if you want to pro rata across all other jobs costed in the payroll run.
Nominal	This option will not be available when Employer Entry selected.
Debit Nominal	Enter the Trading or Profit & Loss nominal that has been setup.
Credit Nominal	Enter the Balance Sheet nominal that has been setup.
Duplicate By Periods?	This is used if you wish to contribute Pension, when you advance pay weeks.
Show on Payslip?	Tick this option for the employer contribution to be shown on payslip.
Apply to All Employees?	Tick this option if you wish to apply to all employees or employees within a Department.
Department	The default is "ALL", leave this if the code applies to all employees within your payroll or select the drop down option and select the relevant department.

Ensure you select the [Save] button to save your entries to the database.

Employee Setup

The next stage is to setup the Pension details for each employee. From the main menu, select Employee>Employees. Select each employee where pension is applicable in turn. Within each employee select the **Pension Details** tab. The screen will display as follows:-

This screen is designed for **ALL** pension providers. You must tick (√) the box **Enter Pension Details?** And then depending on the Pension Provider you are using, the relevant fields will become highlighted for input. If a field is available for input, it is a mandatory requirement and you must enter the relevant details. Failure to enter required information here will result in the Pension Data File that is created from PAYE Plus not holding all the information needed to upload to your provider.

Next, select the **Pay Codes** tab and allocate the two pay codes you setup for employee & employer pension contributions.

Pension (Automatic Enrolment) (cont....)

The Pay Codes tab will display as above, showing the existing pay codes already allocated to the employee. Select **Add** and enter each of the pay codes in turn.

Employee Pension Deduction:-

Add	Use the Lookup to select the Pay Code for Employee Pension Contribution.
Amount/ Rate/ Percentage	Depending on how the pay code was setup, this field will display either Amount, Rate or Percentage. Enter the relevant information. ****If your pension is a Relief at Source (contributions deducted from NET earnings)** it is usual for the pension deduction to be set for the employee less the Basic Rate Tax, because the pension provider will reclaim the Basic Rate Tax from HMRC. i.e. If deduction is 1% enter 0.8% as the 0.2% will be reclaimed by your pension provider **** PLEASE CHECK THIS WITH YOUR PENSION PROVIDER THEY THEY WILL GIVE CORRECT GUIDANCE OF DEDUCTION TO BE ENTERED.**
Continual Deduction?	You must tick (√) continual deduction for the pension to be deducted correctly.

Employer Pension Deduction:-

Add	Use the Lookup to select the Pay Code for Employer Pension Contribution.
Amount/ Rate/ Percentage	Depending on how the pay code was setup, this field will display either Amount, Rate or Percentage. Enter the relevant information.

Once complete, your screen should look similar to above.

Ensure you select the [Save] button to save your entries to the database.

You are now able to run your payroll as usual. Once complete, PAYE Plus will create a file for you to upload to your Pension Provider detailing the information they require. To obtain this, from the Main Menu select **Payroll** and **Prepare Pension Data File.** The following screen will display:-

Enter the relevant details required for your Pension Provider. The example above is for The Peoples Pension, if you are using another provider, you may have additional fields on this screen. If a field is displayed, it means it is a requirement for your provider, ensure you enter all the necessary details.

When you select either the Week or Month Number the Earnings Period Start and End Date will default to the Tax Week or Month that is selected, i.e. Month 1 will default from 06/04/20** to 05/0520**. Your provider may expect different dates to the default, it is your responsibility to change these before generating the file.

Once all details have been entered, select **[View/Refresh].** All employees where pension has been deducted will display on the screen. All will default to be ticked (√). If for any reason you do not want to include an employee in the file, remove the tick. Select [**Generate File**], a message will be displayed:-

Select [OK].

Pension (Automatic Enrolment) (cont….)

An Excel CSV file will be created named PensionDataFile(DD-MM-YYYY_H-M_S) within a subfolder named Week#_TAXYEAR or Month#_TAXYEAR (dependant on weekly or monthly payroll) within either a Week or Month subfolder (again dependant on weekly or monthly payroll) within a subfolder named "Company Name Pension Data Files" which is stored within the PAYE Plus folder.

When you are ready to submit your pension file to your provider, you will need to navigate to the above folder relevant to the Week or Month you are submitting. This is usually done from within your providers website.