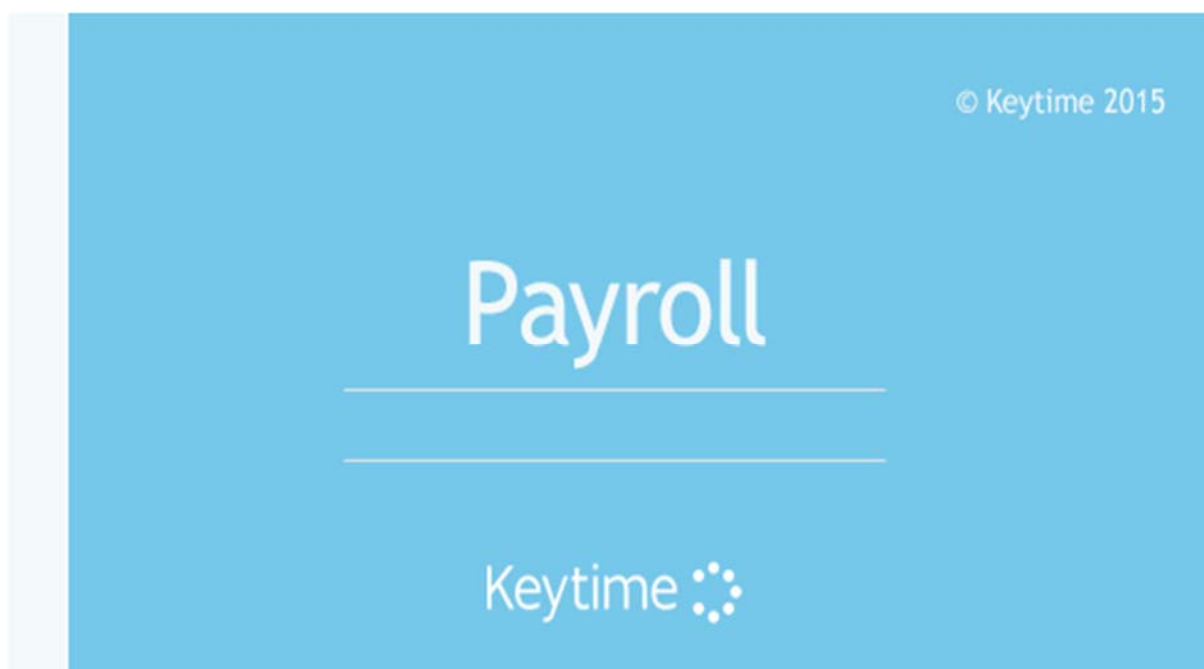


# Auto Enrolment



## Introduction

This guide supplements the Keytime Payroll User Guide. In writing this guide we have assumed that you are already familiar with Keytime Payroll, therefore, no instruction on the general operation of Payroll is included. We have also assumed that you already have a suitable pension scheme in place and that you are already familiar with the requirements and rules of auto enrolment. The Pension Regulator has detailed guidance if you are unclear about any aspect of auto enrolment:

<http://www.thepensionsregulator.gov.uk>

## Setting up Auto Enrolment

### Registration

Auto enrolment is an optional feature within Keytime Payroll; a registration code is required to unlock this functionality. To unlock auto enrolment proceed as follows:

- Open Client Manager and click File / Register, or open Payroll and click File / Register
- In step 1 enter your user name (this can be found on your invoice)
- In step 2 enter your password (this can be found on your invoice)
- Click Register
- Tick Activate by the auto enrolment module
- Auto enrolment will appear in the list of registered modules and is now available in Payroll
- Click Close

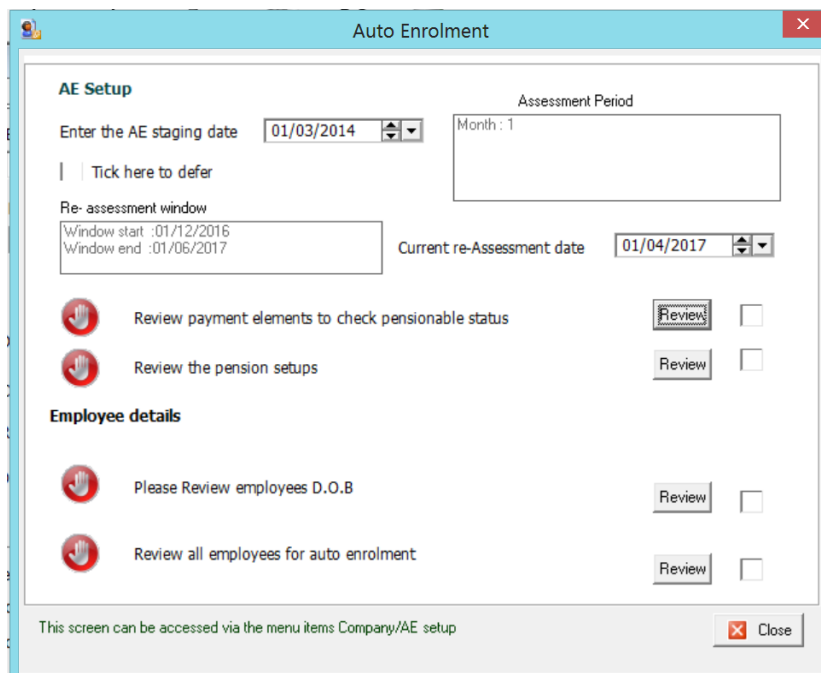
### Activating Auto Enrolment

Once registered, auto enrolment needs to be activated within the each payroll in order to become active. It is important to note that once activated, Payroll will begin assessing the workforce and prompting you to enrol employees. It is advisable, therefore, to activate auto enrolment after closing the last pay period prior to your staging date and not before.

- To activate auto enrolment open the company payroll and click Company / Setup / Payroll Defaults
- Tick the box 'confirm auto enrolment' and enter your staging date
- Click Save to active auto enrolment

## Preparing the Payroll

Once auto enrolment has been activated, the following screen is presented:



The 'Auto Enrolment' window contains the following sections:

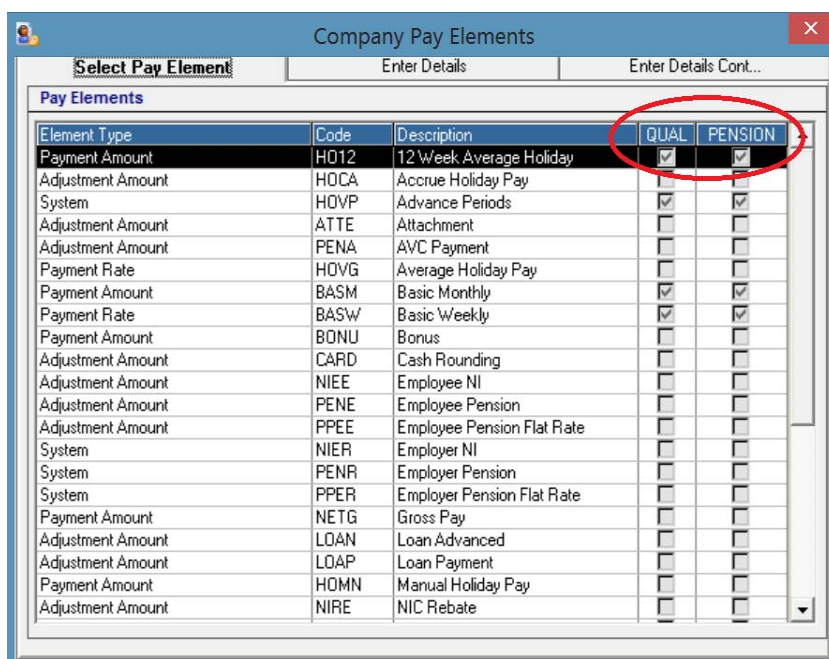
- AE Setup**
  - Enter the AE staging date: 01/03/2014
  - Assessment Period: Month: 1
  - Re-assessment window: Window start: 01/12/2016, Window end: 01/06/2017
  - Current re-Assessment date: 01/04/2017
- Review options**
  - Review payment elements to check pensionable status: [Review] ☐
  - Review the pension setups: [Review] ☐
- Employee details**
  - Please Review employees D.O.B: [Review] ☐
  - Review all employees for auto enrolment: [Review] ☐

Footer: This screen can be accessed via the menu items Company/AE setup. [Close]

Below we work through each of the review options in turn. All of these options are accessible through the normal menu options and the auto enrolment setup screen can be subsequently accessed by clicking the Company menu / AE Setup.

## Review and Configure Pay Elements

Click Review, the list of pay elements is presented. Two new columns have been added to the Select Pay Element tab:



The 'Company Pay Elements' window shows a table of pay elements with two new columns, 'QUAL' and 'PENSION', highlighted by a red circle.

Element Type	Code	Description	QUAL	PENSION
Payment Amount	H012	12 Week Average Holiday	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Adjustment Amount	H0CA	Accrue Holiday Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
System	H0VP	Advance Periods	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Adjustment Amount	ATTE	Attachment	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	PENA	AVC Payment	<input type="checkbox"/>	<input type="checkbox"/>
Payment Rate	H0VG	Average Holiday Pay	<input type="checkbox"/>	<input type="checkbox"/>
Payment Amount	BASM	Basic Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Payment Rate	BASW	Basic Weekly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Payment Amount	BONU	Bonus	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	CARD	Cash Rounding	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	NIEE	Employee NI	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	PENE	Employee Pension	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	PPEE	Employee Pension Flat Rate	<input type="checkbox"/>	<input type="checkbox"/>
System	NIER	Employer NI	<input type="checkbox"/>	<input type="checkbox"/>
System	PENR	Employer Pension	<input type="checkbox"/>	<input type="checkbox"/>
System	PPER	Employer Pension Flat Rate	<input type="checkbox"/>	<input type="checkbox"/>
Payment Amount	NETG	Gross Pay	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	LOAN	Loan Advanced	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	LOAP	Loan Payment	<input type="checkbox"/>	<input type="checkbox"/>
Payment Amount	H0MN	Manual Holiday Pay	<input type="checkbox"/>	<input type="checkbox"/>
Adjustment Amount	NIRE	NIC Rebate	<input type="checkbox"/>	<input type="checkbox"/>

The tick boxes in the Qual column indicate whether pay is **\*qualifying** i.e. payments made on these elements are to be included in the calculation of qualifying earnings.

The tick boxes in the Pension column indicate whether payments made on these elements are to be included in the calculation of pension contributions.

***\*Qualifying earnings are defined by the Pension Regulator as: salary, wages, commission, bonuses, overtime, statutory sick pay, statutory maternity pay, ordinary or additional statutory paternity pay and statutory adoption pay.***

Allowances for items such as cars will usually count as qualifying earnings where they are paid as an additional stream of disposable income. If you are unsure about the qualifying status of any element of pay refer to contracts of employment or seek legal advice.

Review the qualifying and pensionable status of each pay element, click the pay element and click the Enter details tab. The qualifying payment and pensionable indicators can be found in the bottom left, tick the boxes as required and click Save:

The screenshot shows the 'Company Pay Elements' window with the 'Enter Details' tab active. The 'Pay Element Type' section contains the following fields:

Field	Value
Type	Payment Amount
Description	12 Week Average Holiday
Quantity	0
Special	None
Code	H012
Unit Identifier	£
Rate/Amount	0

The 'Pay Element Details' section contains the following fields:

Field	Value
Tax	<input checked="" type="checkbox"/>
National Insurance	<input checked="" type="checkbox"/>
Pension	<input checked="" type="checkbox"/>
AE Qualifying	<input checked="" type="checkbox"/>
Global	<input type="checkbox"/>
Addition	<input checked="" type="radio"/>
Subtraction	<input type="radio"/>
Benefit via Payroll	<input type="checkbox"/>

A 'Save' button is located at the bottom right of the window.

## Review and Configure Pensions

Click Review, a list of current pension schemes is presented. A system defined auto enrolment scheme has been added. This scheme is suitable for use with a defined contribution type pension and assumes tax relief at source (Taxable is set to Yes).

You can use the system pension scheme or you can configure an existing or create a new scheme for use with auto enrolment. Click the pension scheme in the pensions list, click the details tab or click Add to create a new scheme and proceed as follows:

- Enter a scheme name (the system default pension cannot be renamed)
- Select the pension provider from the drop down list of available pension companies. If your provider is not listed leave the provider field blank
- There are options for tax and NI relief: If the scheme attracts tax relief at source set the taxable option to Yes and NI to Yes if contributions at percentage based tick the Claiming

relief at source tick box (by the employee % contribution). If the scheme is based on net pay arrangements set the taxable option to No and NI to Yes. If the scheme uses a salary sacrifice arrangement set both taxable and NI options to No.

- Contributions for auto enrolment are based on a percentage of pensionable pay. In Type of pension scheme click Percentage.
- In Percentage pension details set the percentage contribution for both employee and employer. If your staging date is before 30<sup>th</sup> September 2017 the minimum contribution is 1% from the employer and 1% from the employee.
- Contributions can be based on pensionable pay *above* the qualifying earnings threshold and up to the upper limit, or they can be based on all pensionable earnings. To base contributions on the qualifying earnings threshold tick the Limit box on both employee and employer contributions.
- Tick the box confirming that the scheme is a qualifying scheme for auto enrolment. If this box is left unticked the pension will be excluded from the list of suitable pension schemes that can be applied to the employee as they become eligible for enrolment.
- Click Save to create the scheme.

**Pension Details**

**Pension Scheme**

Name: Auto-enrolment pension \* Provider: Nest Scon ref:

Is the pension taxable? ☒ Yes ☐ No Is the pension Niable? ☒ Yes ☐ No

Type of Pension Scheme: ☒ Percentage ☐ Global ☐ Individual

**Pension Dates (StakeHolder)**

Employee Due Date: / / Employer Due Date: / /

**Percentage Pension Details**

Employee			Employer		
Percentage	Limit	<input checked="" type="checkbox"/>	Percentage	Limit	<input checked="" type="checkbox"/>
1			1		
Enter 10% as 10	Claiming relief at Source	<input checked="" type="checkbox"/>	Enter 10% as 10		

☒ Tick here if this pension is a qualifying pension for auto enrolment ☐ Tick to use this pension as the default auto enrolment pension

Scheme Code:

+ Add X Delete Save Close

Pension schemes can also be found by clicking the Company menu / Pension Details.

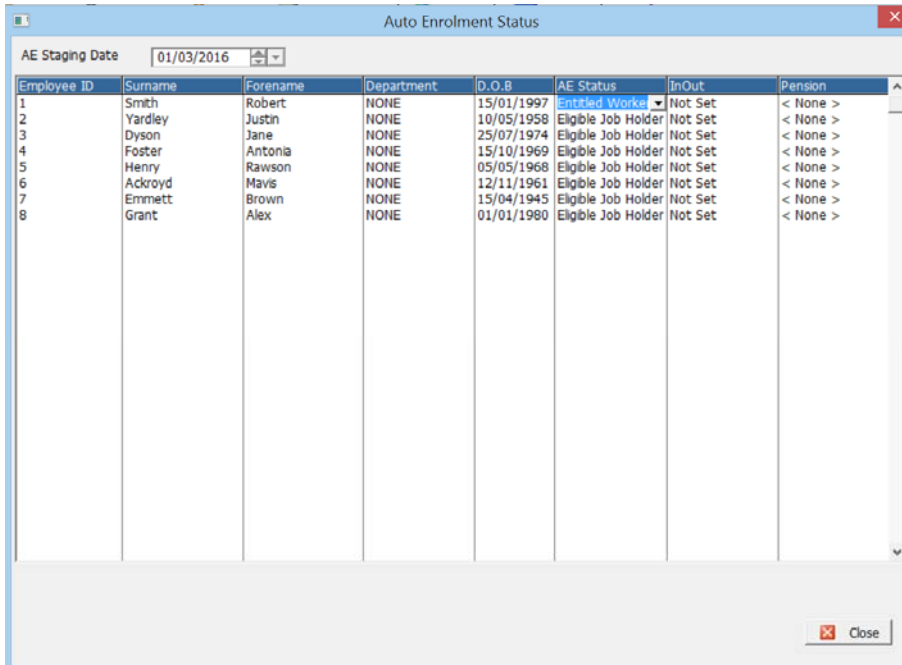
## Review Employees Dates of Birth

Employees become eligible workers from their 22<sup>nd</sup> birthday and cease to be eligible on their 75<sup>th</sup> birthday. For the system to be able to notify you of an employee's eligibility the employee's date of birth must be present in the employee's record. Auto enrolment setup includes a report that checks all employees and reports on records that don't have a date of birth. Click Review to run the report.

The employee date of birth can be found by opening the employee record / Personal Details.

## Assessing Employees for Auto Enrolment

To review the current enrolment status of all employees click Review for a list of all employees and their current pension status:



The screenshot shows a window titled 'Auto Enrolment Status'. At the top, there is a field for 'AE Staging Date' set to '01/03/2016'. Below this is a table with the following columns: Employee ID, Surname, Forename, Department, D.O.B, AE Status, InOut, and Pension. The table contains 8 rows of data. The 'AE Status' column has a dropdown menu open for the first row, showing 'Entitled Worker' selected. The 'Pension' column shows '< None >' for all rows. A 'Close' button is located at the bottom right of the window.

Employee ID	Surname	Forename	Department	D.O.B	AE Status	InOut	Pension
1	Smith	Robert	NONE	15/01/1997	Entitled Worker	Not Set	< None >
2	Yardley	Justin	NONE	10/05/1958	Eligible Job Holder	Not Set	< None >
3	Dyson	Jane	NONE	25/07/1974	Eligible Job Holder	Not Set	< None >
4	Foster	Antonia	NONE	15/10/1969	Eligible Job Holder	Not Set	< None >
5	Henry	Rawson	NONE	05/05/1968	Eligible Job Holder	Not Set	< None >
6	Ackroyd	Mavis	NONE	12/11/1961	Eligible Job Holder	Not Set	< None >
7	Emmett	Brown	NONE	15/04/1945	Eligible Job Holder	Not Set	< None >
8	Grant	Alex	NONE	01/01/1980	Eligible Job Holder	Not Set	< None >

Auto enrolment status is as follows:

- Not entitled – employee is under 16 or over 74
- Eligible jobholder – employee is between 22 and state pension age
- Non-eligible jobholder – employee is aged between 16 and 21 or state pension age and 74
- Entitled worker – employee is aged between 16 and 74, but doesn't have qualifying earnings (note that the system cannot assess anyone as an entitled worker until the post staging date pay period is open)

You can assess employees ahead of the staging date if you wish by moving through each employee record and select financial details / financial definition select the relevant status and assessment date and opt in where relevant. Please note that if you apply a pension to employee records the system will automatically deduct pension contributions regardless of the staging date.

## Applying Pension Elements to Employee Records

To apply a pension scheme to an employee record, open the employee record and click the Financial details tab / financial definition. Click the down arrow to the right of the Pension box and select the required pension scheme.

Individual pension types require pay elements to be added to the employee pay record, proceed as follows:

- Open the employee record
- Click the Pay Elements tab and click Add

- From the list of pay types select Employee pension flat rate
- Click Add and from the list of pay types select Employer pension flat rate
- Enter the employee contribution (as an amount) in the Amount field
- Enter the employer contribution (as an amount) in the Amount field
- Click Save

Global and percentage pension types do not need their own pay elements; the system will automatically apply either the percentage (percentage) or the amount (global) specified in the pension scheme details.

## Periodic Payroll Processing and Automatic Enrolment

## Assessing Employees in the Pay Period

Auto enrolment functionality will lay dormant in the payroll until the system date on your payroll processing date coincides with the staging date you selected in the company setup screen. The first time you run a pay period after this date you will be prompted to set the auto enrolment status of your employees and apply a qualifying pension where necessary:

[illegible]

The above screen appears whenever an employee's pay is calculated, or re-calculated. Double click each employee to resolve their pension status:

The screenshot shows a software window titled "Employee Pension". Inside, there is a "Pension" dropdown menu set to "Standard Life". Below it is a "Pension Effective" date field set to "17/06/2014". A section titled "Auto Enrolment" contains several controls: a "Status" dropdown set to "Eligible Job Holder", "Assessment Date" set to "17/06/2014", and "Next Assessment Date" set to "01/06/2042". There are radio buttons for "Not Set" and "Opted In" (which is selected). A checkbox "Tick here if the employee has been confirmed as enrolled" is checked. A "Date Opted In" field is set to "09/06/2014". A checkbox "Tick here to defer the assessment" is unchecked. At the bottom right are "Save" and "Close" buttons.

- Select a qualifying pension from the drop down list of pensions. If the pension required is does not appear in the list it indicates it has not been set as qualifying.
- Status – The system will set the status automatically based on qualifying earnings in the pay period and the age of the employee, this can be changed as required, for example if the employee is not a UK worker the status can be set to not entitled.
- The assessment date will default to the system date on your PC.
- The next assessment date will be automatically calculated based on the auto enrolment status. In the screenshot above the next assessment date is 2042, which is when this employee is due to claim state pension.
- If you wish to defer enrolment tick (click) the deferment box. Note that you can only defer for a period of 3 months, if the employee is eligible the next time they are assessed you must enrol them; you cannot defer for a second time.
- Click the Opted in button to enrol the employee.
- Employees can only opt out of a pension scheme once they have been confirmed as opted in. If the employee's enrolment has been confirmed tick the confirmation box and enter the date it was confirmed. A further opt out option will be included on the employee record.
- Click Save.

### Employees Opting Out

Employees can opt out of auto enrolment, they can only do this within a limited time frame and further information about this can be obtained from The Pension Regulator's website:

<http://www.thepensionsregulator.gov.uk/employers/opting-out.aspx>

To opt an employee out of auto enrolment take the following steps:

- Open the employee record in the employee library
- Click Personal details \ Financial definition
- Click the Opted out button; you will be prompted to remove the pension from the employee record. Note that if you choose to leave the pension on the record the system will continue to deduct pension contributions.
- Enter an opt out date



- Click Save

### Cyclical Automatic Re-enrolment

Payroll will automatically reassess employees who have opted out and re-enrol them where they are found to be eligible. This process is called cyclical automatic re-enrolment, and it occurs approximately 3 years after the employers staging date. The employer can choose the cyclical re-enrolment date but it must be within a 6 month window starting three months before and ending three months after the anniversary of the original staging date.

The entire workforce is not reassessed at this stage; only those employees who voluntarily opted out more than twelve months ago. This means that anyone opting out more than twelve months ago, but less than three years ago will be reassessed and re-enrolled if they are found to be eligible.

Postponement is not allowed at re-enrolment; if an employee is eligible at the cyclical re-enrolment date they must be automatically enrolled.

### Managing Pension Contributions (output files for pension companies)

You can create output files for a number of pension providers. At the time of writing these are: Nest, NOW:Pensions, Aegon, Legal & General, The People's Pension, Scottish Life and Scottish Widows.

The output files for the above providers can be found by clicking the Payroll menu \ Export Data, select the pension provider. The output file specifications vary between providers; some providers require very little information other than that contained in the periodic pay files. Other providers require additional information that must be added as the file is generated. If you are unsure about the information required the Keytime support team may be able to assist with your query, alternatively your pension provider should be able to help.

Once you have added all the relevant information click Export. Save the resulting output file to a memorable location on your PC or network. This file can then be uploaded to your pension providers system.

### Pension Reporting

Pension contributions are reported in various periodic reports, but are also available as a dedicated Pensions report and also in the cost of payroll report:

- Pensions report – Reports \ Company \ Pensions
- Cost of payroll – Reports \ Company \ Cost of Payroll

## Employee Communications

You can send auto enrolment letters to employees using the communications module (module requires a licence). The communications module creates mail merged letters in MS Word, template letters are included, which can be edited or you can create your own.

You can generate letters for a single employee, a range of employees or all employees. The communications module can be accessed by clicking the Company menu / AE Setup:

**Auto Enrolment**

**AE Setup**

Enter the AE staging date: 01/11/2014

☐ Tick here to defer

**Assessment Period**

Month: 1

**Re-assessment window**

Window start: 01/08/2017  
Window end: 01/02/2018

Current re-assessment date: 01/11/2017

☒ Review payment elements to check pensionable status [Review] ☒

☒ Review the pension setups [Review] ☒

**Employee details**

☒ Please review employees D.O.B [Review] ☒

☐ Assess all employees for auto enrolment [Review] ☐

**Notification**

☐ Send notice to employees [Review] ☐

This screen can be accessed via the menu items Company/AE setup

Close

Click the Review button:

Keytime Communications - Payroll - Acme, Inc.

Drag a column header here to group by that column.

Employee ID	Surname	Forename	Department	D.O.B.	AE Status	Send Letter
BLANC	Blanc	Mel	No Departments	30/05/1986	Eligible Job Holder	<input checked="" type="checkbox"/>
BLOG01	Bloggs	Joe	No Departments	01/01/1970	Eligible Job Holder	<input checked="" type="checkbox"/>
JONES	Chuck	Jones	No Departments	31/01/1973	Eligible Job Holder	<input checked="" type="checkbox"/>
COYOTE	Coyote	Wille E	No Departments	17/09/1949	Entitled worker	<input checked="" type="checkbox"/>
FORAY	Foray	June	No Departments	18/09/1977	Entitled worker	<input checked="" type="checkbox"/>
RUNNER	Runner	Rod	No Departments	25/06/1984	Eligible Job Holder	<input checked="" type="checkbox"/>
YOUN01	Young	Emily	No Departments	01/11/1993	Non-Eligible Job Holder	<input checked="" type="checkbox"/>

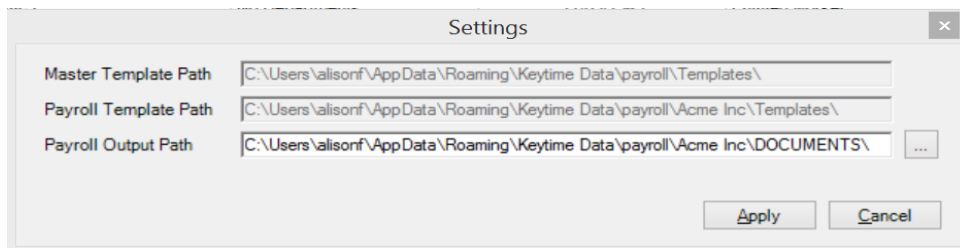
To select all employees click the All button on the top right and click Select All.

The communications module utilises MS Word to maintain and generate employee letters, before you can start to manage templates you must install the MS Word Add-in (see screenshot above). To install the add-in click the Install Add-in button on the main toolbar.

## Working with Templates

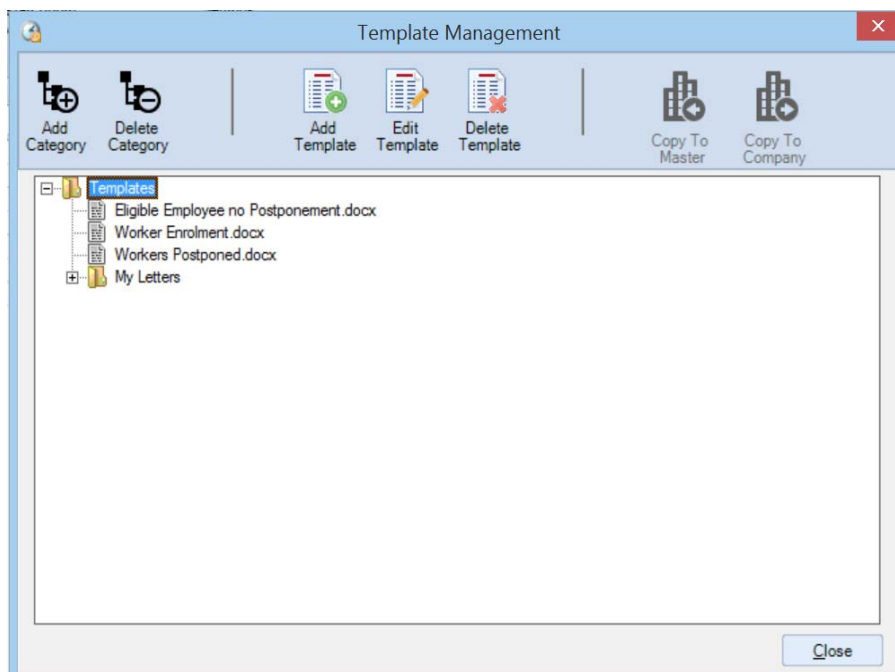
The communications module installs a number of template letters. You can edit these letters or create your own. We strongly advise that you review the letter templates prior to using them as it is not possible to create generic letter templates for use in all circumstances. The main employee enrolment letter requires attention before use. It is your responsibility to maintain the letter templates and to ensure they are appropriate for the pension scheme and your employees.

You can specify an output location for generated letters, click the Settings button on the main toolbar:



The master and payroll template path are fixed. All master templates are stored in the Templates folder in the payroll data location. Any templates you have created or edited are stored in the templates folder in the company data location. You can choose the output location by clicking the button to the right of the payroll output path and selecting the location. Click Apply to save the path.

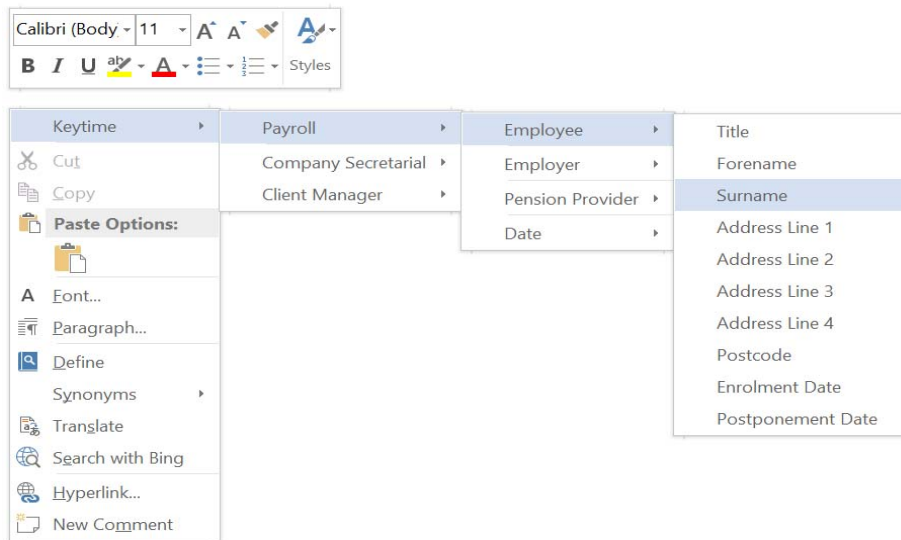
To access template letters click the Templates button on the main toolbar:



The Templates folder is the template master folder. The Templates folder is visible in all payroll companies. If you want to edit the master templates for use in particular circumstances create a folder in the payroll company and copy the master template into it click Add category and enter the category (folder) name.

You can use any of the master templates in your payroll company, it is recommended that you first ensure they meet your needs and are suitable for the pension scheme. To base your company template on a master template click the template you want to use and click Edit Template, the template will open in MS Word. Edit the wording as required.

You can create your own template, to create your own template you must first create the Word document, or locate a pre-existing document that you wish to base the template on. Open Word and either open the Word document or create a new one. To add database fields from the payroll company right click wherever you wish to add the field, select Keytime / Payroll choose the group and then click the field to add:



Choose each field one at a time, remember to use spaces between fields.

Once you have finished creating your template letter save it in a memorable location and move back to the communications module. To bring the template letter into the module click the Templates button on the main tool bar, click Add Template, browse to the location where you saved your letter, click the letter and click Open.

## Generating Letters

To generate letters select the employee(s) you wish to send letters to, click Generate, select the letter and click Select. The letters will be generated and a message will appear informing you they have generated and their location. The employee record in payroll contains a communications tab (Personal Details / Communications), a record of the letter generated is placed in the tab. Letters for individual employees can also be generated from this tab:

