

# 7 AE Challenges and your next step as a Bureau



## Auto Enrolment - Introduction

The payroll landscape has changed forever; employers with at least one employee now having new duties to perform by law. Employers will need to enrol certain employees into a workplace pension scheme and also make a contribution towards the scheme. By 2018, every UK employer must undertake to enrol their employees into a suitable pension scheme.



The auto enrolment (AE) legislation can be complex and hard to understand, so ensuring that you avoid the pitfalls is key to a streamlined, successful and lucrative strategy. In 2014 and 2015, The Pensions Regulator (TPR) issued 787,000 letters informing employers of their forthcoming automatic enrolment duties thus ensuring an awareness amongst your clients of the need to act on these instructions.

Complete this list to simplify the AE process. These practical steps will ensure AE will be a smooth and profitable process.

**If these steps are not followed you will inevitably commit seven deadly sins for you, your business, your payroll clients and more importantly, for your profit margins.**

### 1. Planning

Auto Enrolment can play an integral part of your business growth plan by providing auto enrolment as a chargeable service to your clients. Over the next few years there will be unprecedented demand from employers looking for help with their AE duties. There are a lot of tasks to get through from checking your clients' staging date to submitting the declaration of compliance, as well as the ongoing AE work that is required. By setting out a clear action plan with an accompanying schedule, you can

accomplish your business goals and increase revenue from your clients with relative ease.

[The Pensions Regulator](#) urges payroll bureaus to get ready, with 7 out of 10 employers saying they will ask a payroll adviser for help with automatic enrolment. Be ready, if you have payroll clients, the new changes to the law means that these clients may ask you for help. While TPR does advise employers to start planning for automatic enrolment 12 months before their staging date, this may not be necessary if you have the correct tools and procedures in place.



## 2. Communicating with Payroll Clients

Your clients' staff may have begun to ask questions about what is involved with AE for them. By being proactive and actively looking up your clients' staging date, you have an opportunity to touch base with your clients. You can simply enter the PAYE reference into [TPR website](#) and this will automatically give you each of your clients' staging date.

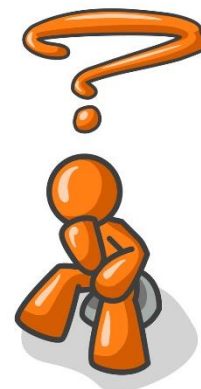


Savvy bureaus are now offering auto enrolment consultations with all of their clients, where they are outlining the AE duties that need to be performed. By explaining the new AE obligations, your client can begin to understand the level of work that is required to set up and process AE on an ongoing basis.

These consultations can help you to develop solid relationships with your clients who might otherwise have recognised your particular expertise and AE service offering. Keep these consultations short (approx. 30 minutes) and if the client wishes to avail of further advice, this could be charged on an hourly basis. Communicating to your clients that you are now offering auto enrolment as a chargeable service can be a key part of your growth strategy.

### 3. Opportunity or Threat?

Bureaus might be sick of hearing about the opportunity that auto enrolment presents but it is something that is not going to go away. Some accountants are still beating about the bush and haven't fully decided if they will help their clients with their AE duties. What's the worst that can happen?



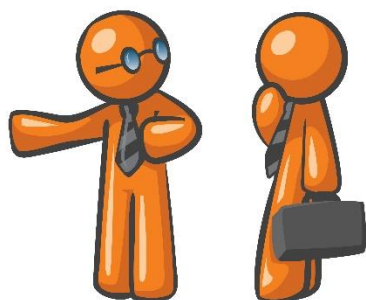
Firstly, your payroll clients will seek professional advice elsewhere. You will potentially lose clients and not just the payroll side of your business. Employers will typically want to combine all of their outsourced services to one professional. If you want to drive your business forward, you will recognise this as an opportunity and not a threat.

### 4. Auto Enrolment as a Service

If you decide to take the bull by the horns, you will need to determine what level of AE services you will provide to your clients. By taking the burden of auto enrolment off your clients, they can focus more on the core activities of their business. Whilst your client will be paying you for this service, they will ultimately be saving on staff resources, software investment and increasing efficiencies.

### 5. Charging for AE

This is another issue that payroll bureaus are struggling to get their head around.

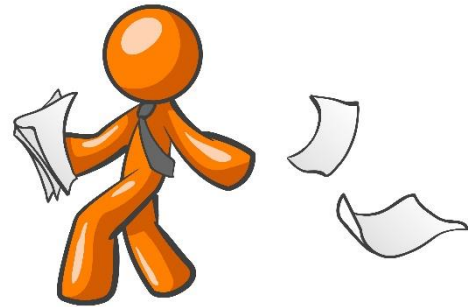


The fact is, these auto enrolment tasks are something that your client needs help with. There is a clear platform to offer auto enrolment services for a chargeable fee. You can charge for AE services in a number of ways. An ideal option is to charge based on a fixed fee for setup and charge on a monthly retainer basis thereafter.

The ongoing AE duties could be charged on a 'per employee, per month' basis, or simply as a monthly fee per payroll client. Some payroll bureaus are charging on a tiered system where you charge for the number of AE tasks the client wants you to handle for them. A tiered service will allow clients to select from a set of packages that will be based on progressively increasing price points as the number of AE tasks increase. This will allow your clients to receive the level of service that best suits their individual needs.

## 6. Payroll Software

If you don't have payroll software that is compatible with automatic enrolment, then profiting from AE will be hard. Do your homework, as there are a number of free or low cost payroll solutions that are available on the market. What's more, some of these systems, such as [BrightPay](#), have AE functionality included for free and there are no additional charges for processing any number of employees or employers.



You will obviously save yourself a lot of time and money if you have a payroll tool that can automate a lot of the AE tasks, including assessment, communications, postponement, opt ins, opt outs & refunds, ongoing monitoring, AE reporting and can also produce contribution files for the various AE pension provider. It will be important to note if you or your clients are using HMRC's Basic PAYE Tools, it will not handle employee assessment or create the contribution file for the chosen pension provider.

Be aware, some payroll providers are charging a lot of money for auto enrolment functionality which will obviously increase costs and reduce profit margins. If you have the [correct payroll tools](#) in place, the ongoing monthly duties can be automated and will not take that much time. If you do not do your research, you will need to factor in additional costs for auto enrolment software. You will, at the very

least, need to recoup these expenses for your business, which again affects your bottom line profit.

## 7. Hidden Charges



It is simply not necessary to spend a lot of money on auto enrolment software. In fact, you could even save money by switching to a payroll software provider that has AE functionality included for free. Some payroll products are advertising that their system has AE functionality. However, employers and bureaus are having to hand over more money for an AE module or add-on.

The bottom line is that AE has become an integral part of payroll and should be included free of charge as part of your annual or monthly package. If your chosen payroll software has support included, make sure they can help you with the AE process. Support could be additional charge that is not included in your payroll licence fee.

Other payroll software providers are using a scaremongering tactic to create panic with their customers. AE does not need to be a complex or costly process. More and more employers, accountants and bureaus are moving away from payroll software that either increase their prices every year or charge extra for AE functionality or price based on a per employee, per month basis. There is a realisation that it is possible to increase profits by investing in AE tools that don't cost the earth.

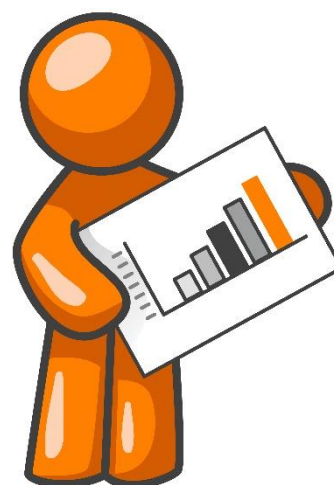


## The Solution

Ultimately, this is a new service that you can offer to your clients and you should feel confident charging the appropriate amount for it. Although this does require some effort on your part, it can create competitive advantage, boost sales and profits, whilst saving money, time and stress.

With a payroll and auto enrolment solution like [BrightPay](#), the road to profit and success is easy. What's more, if you switch from another payroll provider, you

can now get the BrightPay bureau licence for just **£99.50 + VAT per tax year.\***



Bureaus who have switched to BrightPay are reaping the benefits. With a 99% customer satisfaction rate and with 99% of customers describing our interface as user-friendly it's a given. Utilising the AE functionality, bureaus have saved considerable time and effort.

With AE capabilities, unlimited employees, unlimited employers and support all free of charge, bureaus have increased profits. 92% of customers report cost saving benefits and 97.1% report time saving benefits. A further 98% of customers would recommend BrightPay.

## How can BrightPay help?

BrightPay have embraced auto enrolment and are providing a number of online resources to bureaus across the UK, including free auto enrolment [webinars](#) and [guides](#).

[Book a demo](#) with our sales team today to find out how BrightPay handles auto enrolment and how it can increase the efficiency of your bureau. You can also try out the software with a [60 day free trial](#).

[Book a Demo](#)

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## About BrightPay

[BrightPay](#) is created by a company with over twenty years of industry experience in the UK and Ireland. We have grown to a team of twenty two talented individuals.

As a team, our collective goal is to intelligently create, successfully deliver and professionally support the best payroll and HR software and services for SMEs in the UK and Ireland.

Our products are currently used by over 80,000 employers across the UK and Ireland. As a customer-focused company, we strive to look after each and every one of them.

BrightPay are highly commended for their level of customer support, their simple pricing structures and their user-friendly software.

[Read customer testimonials here.](#)

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