



# Accountants, Auto Enrolment and the Basic PAYE Tools conundrum



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With auto enrolment starting to hit micro businesses from the start of 2016, accountants will have many clients who use HMRC Basic PAYE Tools (BPT) and who will need help.

The big decision facing accountants, with regard to their BPT clients, will be:

1. Do you offer to handle their payroll for them? or
2. Do you advise them on how best to continue to process their own payroll?

## Why is this an issue?

Basic PAYE Tools does **not** cater for auto enrolment. The Pensions Regulator has released a toolkit for BPT employers but this is just a spreadsheet which will only perform the most basic calculations. Furthermore, the amount of manual entries needed, the scope for error and the extra time required, **does not make it feasible for any business to continue using BPT**, (unless of course they are not deemed to be an employer for AE purposes e.g. single director companies).

## Why might an accountant turn away potential payroll business?

BPT users will typically be very cost conscious and may present too much of a challenge for accountants attempting to achieve commercially viable fees. They may not be swayed by the argument that auto enrolment is a major responsibility requiring considerable care and attention on your part. Therefore some BPT users may pose too much of an up-hill battle.

## The options

So, assuming you have figured out which category a BPT client falls in to, let us examine the two options available.

### Option 1 - Looking after their payroll for them

This is obviously the preferred option and just make sure you charge enough for offering this service. Assuming you already have payroll software that handles auto enrolment, that same payroll software could make things even easier if:

- a) It can automatically import the HMRC Basic PAYE Tools data file
- b) it can perform an auto enrolment [preview](#) prior to your client's staging date so that you can advise them how much auto enrolment will cost them and whether they actually need to register with a pension scheme in advance of their staging date
- c) It has pension scheme APIs. Most small employers will probably end up with NEST so the [NEST API](#) will save you a lot of time.

### Option 2 – They continue to process their own payroll

You are still looking after their accounts and tax returns but they want to continue doing their own payroll. It is vital that you let them know exactly what they are getting into particularly if they are using BPT.

They should be aware that there are many free or low cost options that will be immeasurably better than using BPT, even if some of the free options do try to "upsell" to them. This will be a minor inconvenience when compared to the pain of using BPT alongside an AE spreadsheet.

[Payroll software](#) does exist that will automatically import their BPT file and perform an auto enrolment preview for them. As a good number of these micro employers will probably register with NEST, the NEST API feature within the payroll software will result in a substantial time saving for them. In addition, it will eliminate errors.

## Conclusion

You perform an extremely important function when it comes to advising your micro clients on auto enrolment. Not all of these clients present a business opportunity for you but you can see them right by giving them correct and timely advice, and this will stand to you in the long run.

## How can BrightPay help?

BrightPay have embraced auto enrolment and are providing a number of online resources to bureaux 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](#).

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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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