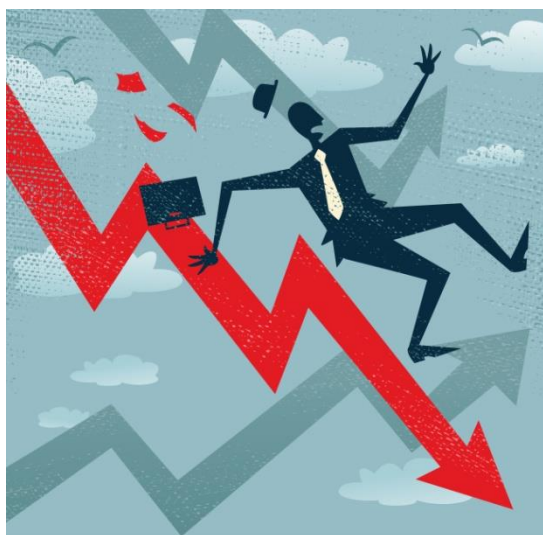




Auto Enrolment  
Checklist: **Simplify**  
**Admin** and make a  
Profit

## 10 steps to ensure AE will be a smooth and profitable process.

For years, accountants and bureaus have been offering payroll services, taking a massive burden off the hands of their clients. However, the payroll profession has changed dramatically over recent years with the introduction of Auto Enrolment. A significant 1.2 million small and micro businesses are set to start staging between June 2015 and the beginning of 2018. The Pensions Regulator defines small businesses as employers with 5 to 40 workers and micro businesses as having one to four workers.



The thought of choosing the right payroll provider has exasperated with the new AE employer duties that need to be completed. Some software providers are avoiding auto enrolment completely, while others are offering AE features with limited functionality or at a high extra cost. If you have payroll clients they may have an expectation that you will handle the AE setup and ongoing duties for them. For

bureaus, it will be important to discuss the options with your clients as early as possible.

### Auto Enrolment Functionality

Payroll software will play a vital role in ensuring the success of Automatic Enrolment. Many of the functions necessary to comply with Automatic Enrolment duties are process-driven and can be handled by technology. Your payroll clients will need to access their employees to ascertain who they have to automatically enrol and who will have the right to request to join.

[The Pensions Regulator](#) recommends that payroll software should automate the majority of these processes, such as assessing employees' eligibility, producing employee communications, monitoring employees' ages, and earnings on ongoing

basis, producing the required reports and much more. It will be important to check with your software provider to see if it can handle the requirements of Automatic Enrolment. From that point on, it is all about efficiency and there are several questions that need to be answered first in order to start making a profit from these jobs.

## **So what should you be looking for in potential payroll software to process AE more efficiently? These 10 questions outline key factors to ease the decision making process.**

- 1. Does it support your chosen AE pension schemes?**
- 2. Will employee assessment be automated?**
- 3. Is enrolling employees problematic or effortless?**
- 4. Can it produce employee communications based on individual's work status?**
- 5. Does it allow for Postponement?**
- 6. Are employees being continuously monitored by the software?**
- 7. What are the limitations regarding the number of employees or employers that can be set up?**
- 8. Will it make contributions and deductions?**
- 9. Does it allow you to produce the required reports?**
- 10. Are auto enrolment features and support charged at an extra cost?**

### **1. AE pension schemes**



Many employers will be setting up pension schemes for the first time and may need your help to identify a qualifying scheme that's right for their business. Whether you choose NEST, The People's Pensions, NOW: Pensions, Scottish Widows, or one of the many other pension providers, ensure that your payroll software is capable of supporting your chosen pension schemes.

Some software providers only cater for one or two pension providers, leaving you limited in your choice of pension. Each pension provider requires information in a unique format making it difficult if your scheme is unsupported by the software.

## 2. Employees Assessment

From your clients staging date, all eligible jobholders will need to be automatically enrolled into a workplace pension's scheme. Payroll software holds your client's employees' information. Based on the employees' wages and age, the payroll can assess and calculate who needs be enrolled. Based on the employee's' qualifying earnings and age, the payroll can assess and calculate



who needs be enrolled. Your software should be able to inform you what your AE obligations are for each employee based on their employee category. The software should also be able to notify you as to which employees require Automatic Enrolment of the on reaching staging date.

## 3. Enrolling Employees

Once you have a pension scheme in place, the ease of enrolling employees is fundamental to the AE process. You will need to provide individual employee information to your chosen pension scheme such as the staff member's name, postal address, date of birth, and National Insurance number. Eligible employees will have the option to opt out of a pension scheme within a month of being enrolled. Equally employees who are not eligible will have the option to opt into the workplace pension scheme. Payroll software should be capable of enrolling eligible employees, processing opt-out and opt-in requests, refunding all deductions already made, and showing this refund on the payslip.

## 4. Employee communications



Communicating with your clients employees is a critical and mandatory part of auto enrolment. The communication will explain to each employee how automatic enrolment affects them. In addition, it is important to make sure each employee receives the correct communication based on their individual work status. Good quality payroll software will be able to examine each employees work status and

produce tailored automatic enrolment letters based on that information, ready for printing or emailing.

## 5. Postponement

Employers have the option to postpone automatic enrolment for up to three months for some or all of their staff. If an employer chooses the option to postpone, a letter must be produced informing employees that they have been postponed. On the last day of the postponement period, each of the postponed employees will need to be assessed to determine if they are still eligible to be automatically enrolled. The option to postpone AE is built into a number of the payroll software systems, including alerts when the postponement period has expired. Again, it will save you time if the employee communication that details the postponement is automated within the software compared to manually producing this documentation.

## 6. Ongoing Employee Monitoring

Once a client has reached their staging date and automatically enrolled employees, your AE responsibilities do not stop there. Auto Enrolment means you must also monitor any changes to the employees work status. For example, if an employee's income exceeds the threshold or if an employee reaches 22, their worker category will change. Some payroll software will recognise this change to

the employees work status and automatically inform you of your AE obligation and produce the necessary communications. Payroll software should continuously monitor staff to ensure that employees are automatically enrolled when they become an eligible jobholder. Payroll software should alert you to such events and prompt you to perform the necessary action, be it enrol or postpone, making your job easier.



## 7. Limitations for Bureaus

Some providers have limitations to the auto enrolment features and functionality they offer. Confirm that the software can handle and automate the employer duties for you. Additionally, a number of providers only allow you to process a certain number of employees or payroll clients before the cost increases significantly. While a large portion of the employees might be eligible, there are still duties that need to be completed for non-eligible and entitled workers. Check that there are no limitations when it comes to AE functionality, and ensure there are no restrictions with the number of employees or employers that can be set up.

## 8. Contributions and deductions



It will be important to maintain a schedule of contributions and ensure you can make the correct payments to each employee. Your payroll software can make the right deductions from employees pay. At each pay period the software should automatically make the relevant contributions and deductions for each of your clients employees based on the



chosen pension scheme and the percentage contributions the employer has decided on. These contributions and deductions should then be included on each employee's payslip. Ensure that the payroll software can make these deductions and keeps up-to-date with the minimum contribution rates.

## 9. Required Records

There are certain records that must by law be kept, by both the employer and the pension scheme, as proof of compliance. Employers must record this information about their employees and their chosen pension scheme. These records must be kept for a minimum of six years. For each employee you must keep communication containing opt-in, joining or opt-out notices. These records must be kept in a certain format for The Pensions Regulator. Your payroll software should be able to easily generate these reports for you. The reporting function should also be customisable to your own requirements for any other analysis that you should want.

## 10. Hidden Charges

The way payroll software providers are pricing their auto enrolment functionality completely varies across the industry. Certain solutions are choosing to charge extra per employee, per month which could quickly add up, especially as the demand for auto enrolment grows. Others have decided to charge a completely separate fee for an auto enrolment feature, add-on or module. Some packages on the market do have auto enrolment included but the functionality can be basic and limited in some. It would be cost effective to select a solution where there are no additional charges per employee or per payroll client. Make sure to read the small print and be aware of hidden support charges too. These hidden costs can add up and ultimately deduct revenue from your bottom line.



## Conclusion



Whether you have started to enrol your clients or not, auto enrolment doesn't have to be as costly, or as time consuming as you think. Bureaus can easily achieve a tidy profit from processing AE for their clients. However to be successful, AE must take place in payroll. [Payroll software](#) can take the grunt work out of AE by accessing the employees' PAYE information and carrying out these tasks for you. It is only logical that

the assessment process should also take place within payroll, to make the process as efficient as possible.

Successful bureaus are now adopting specific payroll solutions that are tailor made to address the ten factors raised in this white paper. In fact, with the right solutions, processing payroll and auto enrolment can form the core client base of a successful and profitable practice or bureau. The advantages of sophisticated, [payroll software](#) are numerous, but mainly it will significantly increase the efficiency and effectiveness of this kind of work. Additionally the ability to automate the employer, admin tasks is extremely valuable allowing bureaus to work quicker and more efficiently. Automation will be the key to success.

Make sure you go through our checklist above to confirm that your existing payroll software will handle each and every step listed. [BrightPay](#) is one solution that does exactly that and there are no hidden charges. By choosing BrightPay you can streamline your AE process efficiently and economically. You can further increase

**“We started using [BrightPay](#) this year after our previous payroll provider wanted over £500 per year to enable Auto Enrolment. Migrating our data into BrightPay was very easy.”**

***Simon Colebrook, ENL Limited***



the speed involved in these types of jobs, an important part of an overall strategy to improve a bureau's profit, speed and reliability.

“The programme works perfectly with RTI and in my 30 years of experience in preparing payrolls I find that [BrightPay](#) is the best product that I have used.”

**David Williams ACIPP, The Wages Room**

Automated payroll technologies that automatically handle the required AE duties are powerful enablers for organisations that want to stay competitive and make a profit. Bureaus that have adopted BrightPay have found they have saved considerable time and effort. The

seamless automation of the Auto Enrolment feature allows our bureau customers to take on more clients and generate more revenue with a lower cost base.

## 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](#)

[Download Now](#)

## 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.](#)

99.4%  
customer  
satisfaction  
rate

98.8%  
recommend  
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98.5%  
satisfied with  
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## Get in touch today to see how BrightPay can help you prepare for auto enrolment.

Call: [0845 3004 304](tel:08453004304)

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